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Daily Report

Latin America

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FBIS-LAT-94-242 *16 December 1994*

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Further Reportage on Miami Conference on Caribbean

OAS Chief, Chamorro Speak at Meeting

FL1512124794 Bridgetown CANA in English 2126 GMT 14 Dec 94

[FBIS Transcribed Text] Miami, Dec 14, CANA - The importance of information as a mechanism for advancing the integration process in the hemisphere is being stressed by both the public and private sectors as officials discuss preparations for a hemispheric free trade arrangement.

"Information is the fundamental basis for decision-making. Without high quality information it will be difficult to come to a sound decision on a process that cannot be neglected," OAS Secretary General Cesar Gaviria told delegates to the 18th annual Miami Conference on the Caribbean Tuesday.

The sentiment was echoed by Nicaragua's President Violetta Chamorro as she stressed the importance of foreign investment to her country. She said it would be difficult to attract investment at the desirable levels if potential investors did not have the necessary information on which to base their decisions.

At an OAS-sponsored workshop here Monday the private sector also pointed to the need for accurate information so that the business sector in Latin America and the Caribbean could expand their links.

Alberto Motta, President of Motta International in Panama said that while he has been able to do some business with the Caribbean, there was need for "a regular flow of information on business opportunities-...and about the changes in the business climate."

Motta said that while the responsibility for the dissemination of such information went beyond the media, the press still had a major role to play in bridging the information gap.

He cited an example last week in Panama when there was an announcement of a multi-million dollar bid for road rehabilitation and construction but there was no way of getting this information out to businesses in the Caribbean which might be interested in such a contract.

Instead, he said, "the Caribbean got all the information about the uprising of Cuban refugees. They got it through the international media".

Executive Director of the Eastern Caribbean Investment Promotion Service (ECIPS) John Arrindell, speaking at the same workshop said that investors need, "hard facts...hard data on which to make their decisions".

"The media has a role to dig out this hard data and to make it available through well-written articles. We don't want information based on perceptions. In some countries there is a tendency to put out information about their economies based on perception and this can delay the pre-investment analytical process," Arrindell said.

But Gaviria told the Miami Conference Tuesday that the OAS along with the Inter-American Development Bank (IDB), the Economic Commission for Latin America and the Caribbean (ECLAC), SELA, INTAL and ALADI "will work on designing co-ordinating and implementing a modern trade statistics system".

Barbadian Prime Minister Speaks

FL1512130394 Bridgetown CANA in English 2214 GMT 14 Dec 94

[FBIS Transcribed Text] Miami, Dec 14, CANA - Underscoring the importance of tourism to the economic development of the Caribbean, Barbados's prime minister Owen Arthur Wednesday urged a united approach to the world's fastest growing industry.

The prime minister was addressing a luncheon of the 18th Miami Conference on the Caribbean and Latin America.

"Tourism to us represents 25 percent of the value of our exports compared with the world average of seven percent," Arthur said, noting that in 1993 over 22 million vacationers chose the Caribbean.

"In this context it is worth noting that 50 percent of the cruise industry is generated in the Caribbean, the importance of the industry to us takes on an even greater significance when we observe the pressure under which so many of our traditional exports are now being placed."

Arthur said that it was so secret that the future of the Caribbean's vital industries, such as bananas, sugar and manufacturing were facing a serious threat as a result of a changing global environment.

"Clearly the outlook for some of our traditional sectors is less than optimistic and we are therefore faced with a strong possibility of growing dependence on the tourism sector," he said.

The challenge for the region Arthur pointed out "is that we have to create a sustainable industry in the region which improves the material aspect of the quality of life of our people without destroying the enviromental fabric of our region ...."

Arthur believed that sustaining the vital tourism industry would require for instance maintaining "good air and sea access to the region at reasonable and competitive prices".

The regional tourism industry was aware of the need to upgrade its infrastructure and was doing so, Arthur said, at the same time warning that "whatever we do about our product and marketing will not be of any significance unless air access is available to the potential users of our products."

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Arthur said that the region was dependent on a limited amount of air carrriers, adding "I maintain that there needs to be a healthy balance".

"I believe that tourism is too important to us for its success or failure to depend solely on decisions made in boardrooms of foreign carriers.

"This is not in any way to show a lack of appreciation ... but to stress the importance of our having a voice in decisions which fundamentally affect our entire livelihood," the Barbadian leader indicated.

Arthur, in his address said he believed that the cruise ship industry could make a "significant economic impact "on the region" and should be encouraged.

But he tempered such a statement with a call for greater co-operation by the cruise ship operators with the Caribbean.

"If we are to benefit in proportion to the number of cruise passengers then cruise lines and ourselves must devise ways of increasing the per capita of passengers," Arthur, who is also the current Caricom [Caribbean Community] chairman said.

He said the Florida Caribbean Cruise Association (FCCA) conference held in Barbados this year "achieved for the industry some measure of success."

He warned, though, that "if the region and the cruise ship industry are to really work together to meet our mutual needs then we must sit down and plan for the next conference together."

The Barbados prime minister said that the region was also becoming concerned about the developments within the tourist industry in the United States, where the emphasis is now on enticing Americans to stay at home.

"While we recognise the contributions of all other markets, it is clear that the United States market is the one which truly determines by its very size whether or not our tourism will be successful," Arthur said.

And he mentioned that over the last few years, visitor arrivals from the United States had shown a marked decrease.

Arthur said that the Caribbean had taken notice of the Orlando meeting in October at which tourism had been discussed and the plans by Washington to organise a national conference next year.

"Caribbean tourism has never been afraid of competition, and unlike other economic sectors it is never operated in any situation of protection or preference ... however in a situation of spiralling foreign debt and scarce infrastructure at the levels required by tourism".

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Cuba

Third Round of Migration Talks With U.S. Announced

FL1612024494 Havana Radio Rebelde Network in Spanish 0000 GMT 15 Dec 94

[From the "Exclusive" program]

[FBIS Translated Text] Beginning on 18 January 1995, government delegations from Cuba and the United States will meet again to follow up on the New York migration accords, according to Foreign Ministry spokesman Miguel Alfonso.

New York will be the site for the new round of talks, the third, which concluded with a joint communique. The new talks will include guidelines worked out last September 1-9. Alfonso did not give details on the agenda of the upcoming meeting, although he stressed that like the second round of talks held in Havana at the end of October, the purpose will be to evaluate what both nations have done in relation to the agreement.

Alfonso reaffirmed that Cuba has scrupulously complied with the agreement, and noted that the United States has granted more than 4,000 visas. The number of visas corresponds to the required weekly pace for the United States to comply with its promise to grant at least 20,000 visas per year to Cuban citizens who apply for them. U.S. authorities have announced that beginning in January the pace will increase.

Alfonso added that up to the moment, the Cuban Government has authorized more than 400 rafters confined at the Guantanamo Naval Base to return to Cuba, 283 of whom have arrived on seven flights

Spokesman on U.S. Compliance With Migration Accord

PA1512203494 Havana PRENSA LATINA in Spanish 1922 GMT 15 Dec 94

[FBIS Translated Text] Havana, 15 Dec (PL)—Cuba and the United States will resume their migration talks next 18 January in New York City, Foreign Ministry [Minrex] Spokesman Miguel Alfonso announced today.

In his weekly news conference, Alfonso stated that Cuba has fulfilled its part of the migration agreements, signed last September in New York, and added "I have not detected any failure to comply on the part of the United States."

He added that according to the latest figures, the United States has granted over 4,000 visas to Cubans within the framework of the understanding the two sides reached, which is more or less in line with the weekly pace that will make it possible to reach the figure contained in the document (a minimum of 20,000). To begin to implement the agreement, "the United States had to put into practice mechanisms that did not exist before," he added. On the matter of Cuban children flown from the camps in Panama to the United States for humanitarian reasons, the Minrex spokesman said he did not feel it represented an act of noncompliance with the agreement because "the Cuban Government was consulted about, discussed, and notified of the measure before it was adopted."

We can understand a series of humanitarian situations exist to which we cannot be insensitive, he added.

Alfonso announced that a total of 283 rafters have returned from the Guantanamo Naval Base to the free territory of Cuba on seven flights.

Foreign Ministry: World Rejects U.S. 'Vindictiveness'

PA1512215194 Havana Radio Havana Cuba in Spanish 0000 GMT 15 Dec 94

[FBIS Translated Text] Eumelio Caballero, director of multilateral affairs at the Cuban Foreign Ministry, said that a majority of the international community disapproves of the U.S. political vindictiveness toward Cuba, as demonstrated by the vote at the United Nations on a resolution regarding human rights on the island.

The Foreign Ministry official said that only 62 of the 184 UN member nations voted in favor of the anti-Cuban resolution, while the rest either voted against it, abstained, or did not attend. Caballero said the United States has not been able to win over the African and Latin American nations in its campaign against Cuba. He also emphasized that in the international community there is a growing understanding that there are no human rights violations on the island.

U.S. Resolution Termed 'Feeble Effort'

PA1512213594 Havana PRENSA LATINA in Spanish 1955 GMT 15 Dec 94

[FBIS Translated Text] Havana, 15 Dec (PL)—Cuban Foreign Ministry Spokesman Miguel Alfonso said today that the anti-Cuban resolution Washington presented to the UN Human Rights Committee is a feeble effort without a future.

The spokesman said the United States had to pressure many countries to get the motion passed. The UN Third Committee, which examines human rights issues, approved the motion on Wednesday in a 62 to 22 vote with 64 abstentions. In addition, 32 countries were absent.

It is a feeble effort, he argued, after stating that 75 percent of the favorable votes came mostly from U.S. allied nations of the so-called First World.

He emphasized the fact that, despite the pressure, Washington received 12 votes less that it did last year at the

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UN General Assembly meeting. The General Assembly must now submit the anti- Cuban resolution for discussion.

Castro: U.S. Wants To Establish Right to Intervene

PA1512231794 Havana PRENSA LATINA in Spanish 0953 GMT 15 Dec 94

[FBIS Translated Text] Havana, 15 Dec (PL)—President Fidel Castro has charged the United States wants to establish the right to intervene in all of Latin America so as to promote or impose its concept of democracy.

The leader of the Cuban revolution made that warning on 14 December in the Havana University auditorium during the tribute the center of higher learning paid to Venezuelan Lieutenant Colonel Hugo Chavez (retired), leader of the Bolivarian 200 Revolutionary Movement. Chavez is in Havana at the invitation of Eusebio Leal, historian for the city of Havana, to give a conference on Simon Bolivar's political and military ideology on the occasion of the commemorations throughout the continent of the 164th anniversary of Bolivar's death in 1830.

Referring to the Summit of the Americas held recently in Miami, Fidel Castro warned of Washington's hegemonic designs, recalled that certain voices demanded a repeat in Cuba of something similar to what happened in Haiti, and predicted "all the mercenaries of the world will not be enough to impose the Haitian formula on us."

The concept that sovereignty is not as important as human rights is in vogue now, as if those rights could exist without independence, the Cuban president said.

He said that despite the actions by the Mafia in Miami, certain presidents, such as the Mexican and Brazilian presidents, and others maintained a courageous attitude and foiled the attempt by the fascist right to try Cuba in absentia.

Castro reiterated that some want to destroy every vestige of the sovereignty and dignity of the people of America in the name of that democracy, the U.S. democracy.

He asked how can one speak, as was done there, of the problems of Latin America without talking about their causes, "of imperialism, which is the cause of so much extreme poverty, drug trafficking, prostitution, crime, and other ills afflicting the continent today." It is a colossal and unbelievable deception to treat our peoples that way, with total contempt by the empire that organizes world and regional order, he added. The Cuban leader recalled that the Miami summit proposed for Latin America after 2000 the levels Cuba reached 20 years ago in the fields of education and health and other indicators, and he made a comparison of the social achievements of his country and the dramatic situation of most of the nations of the continent.

Radio Notes U.S. Effort To Place Rafters in Third Countries

PA1612025294 Havana Radio Havana Cuba in Spanish 0100 GMT 16 Dec 94

[FBIS Translated Text] The United States is talking with third countries asking them take in more than 8,000 illegal Cuban emigrants currently confined in camps in the Panama Canal zone. Panama has refused to extend the refugees' stay beyond 3 March of next year, which was the date agreed upon in an accord Panama signed with U.S. authorities.

The Panamanian public is focused on the issue of the so-called rafters following riots at the camps last week. The Cubans being held there staged violent protests demanding to be taken to the United States. According to U.S. military sources, the camps are calm again, but there is growing tension among the illegal emigrants.

The Panamanian Legislative Assembly warned on Thursday that if there are more riots it will demand that the Cuban rafters be taken out of the country before the date previously agreed upon with the United States.

Clinton Speech Viewed as 'Attempt To Regain His Leadership'

PA1612034394 Havana Radio Havana Cuba in Spanish 0100 GMT 16 Dec 94

[Report by Maria de los Angeles Garcia; from the "Evening Information Review" newscast]

[FBIS Translated Text] [Garcia] This evening I have a report on the United States and its domestic policy. President William Clinton has just finished a speech from the Oval Office at the White House; the presidential office. During his speech, the U.S. President made a very important announcement: He proposed a $60 billion tax cut which would be used to help his countrymen feed and provide a college education for their children and to purchase a home. White House officials already announced this earlier during a news conference by White House Spokeswoman Dee Dee Myers. According to this source, and now according to Clinton's speech, the plan would be funded by a significant government reorganization and spending controls.

According to observers and other news agencies, Clinton addressed the nation in an attempt to regain his leadership following the humiliating defeat his Democratic Party suffered in last month's election. Please remember that the Republican Party took control of both houses of Congress for the first time in 40 years in that election. That translated into an overwhelming defeat for Clinton, who is now desperately seeking to increase his popularity.

[Station announcer] This has to do with gaining ground.

[Garcia] Exactly. He is in a race against the clock to recover as much support as he can during his last two

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years in the White House. In addition, he is trying to secure a second presidential victory as he is running for reelection.

According to the tax reform package, families with a yearly income of up to $120,000 will be able to deduct $10,000 for college education costs. The plan will provide low income families, those earning less than $75,000, with a tax free loan system and a tax deduction of up to $500 per child under 13. As you may know, this speech by Clinton is very significant because the American people consider the U.S. President's handling of domestic affairs to be extremely important. That is where President Clinton will focus his efforts during the last two years of his administration.

Activities Related to Venzuela's Chavez Visit Reported

Castro Compares Coup Attempt to Moncada

FL1512155394 Havana Radio Rebelde Network in Spanish 1000 GMT 15 Dec 94

[From the "Doing Radio" program]

[FBIS Translated Text] The main lecture hall of Havana's University hosted a ceremony on 14 December, where professors and students honored Ret. Lieutenant Colonel Hugo Chavez of Venezuela, who is also leader of the Revolutionary Bolivarian Movement [MBR-200]. Commander in Chief Fidel Castro chaired the ceremony. He stated that Chavez's decision to visit Cuba was courageous. He added that Chavez would not be granted an honorary degree this time, as has happened on many past occasions, however, he stated that Chavez truly deserves such a degree.

[Begin Castro recording] He is a humble man, a very humble man, truly humble. Chavez believes that he does not deserve all the attention he has received, and in any case, he hopes to merit them through his future conduct. However, someone who spends 10 years educating young officers—Venezuelan soldiers—on Bolivar's ideas, surely deserves these, and even bigger honors. [applause] [end recording]

Castro, while summing up the news which had arrived to Cuba at the time of the uprising in Venezuela, stated that Cubans place an extraordinary value on Bolivar's ideas, which had inspired the Venezuelan military, with Hugo Chavez as the leader of the insurrection.

[Begin Castro recording] We received news of the humane conduct of those officers and soldiers. We received news on their Bolivarian ideas, on their conduct following the action [words indistinct] everywhere. And we were reminded a lot of our own history, of what happened following the Moncada assault, of course under different circumstances. In Cuba, we were fighting against the military who unconditionally supported Batista's tyrannical regime. In the case of Venezuela, there was an insurrection by a group of revolutionary soldiers from inside the armed forces. [end recording]

Chavez arrived in Cuba following the hemispheric summit. Therefore the meeting of the Cuban people with the Bolivarian Movement of Venezuela, and Latin America, is a symbolic event.

[Begin Castro recording, in progress] ....and if you hear the words of the President of the United States, which Hugo Chavez has mentioned, who intends to present the Miami Summit as the realization of Bolivar's dreams. He only needed to add that the summit was also the fulfillment of Marti's dream. What would Marti and Bolivar think about that kind of society for prosperity—as I believe it is currently being called—that they are proposing? [end recording]

Chavez: Clinton Words 'Slap in the Face'

FL1512144594 Havana Radio Rebelde Network in Spanish 1000 GMT 15 Dec 94

[From the "Doing Radio" program]

[FBIS Translated Text] The Casa Simon Bolivar in Havana Vieja hosted a meeting on 14 December, with the participation of Lieutenant Colonel Hugo Chavez, leader of Venezuela's MBR-200 [2000 Revolutionary Bolivarian Movement], who was accompanied by Commander in Chief Fidel Castro, and Commander Daniel Ortega from Nicaragua. Dr. Eusebio Leal gave the inauguration speech, and Chavez followed.

[Begin Chavez recording] Hence, a few days ago in Venezuela we stated—angrily answering President Bill Clinton's expression during the so called Miami summit, regarding Bolivar's dream becoming true—that his words are a slap in the face of every worthy Bolivarian and Latin American. Likewise, we answer in Havana—as we did in Venezuela, that Bolivar's dream is far from becoming a reality, and we need to push his ideological project for the Latin American people, to truly get close to the dream of a united Latin America and Caribbean.

Bolivar has warned us: Beware of Americans, who seem designed by providence to fill us with misery in the name of freedom. [end recording]

Castro Attends Conference With Chavez

PA1512204594 Havana PRENSA LATINA in Spanish 1023 GMT 15 Dec 94

[FBIS Translated Text] Havana, 15 Dec (PL)—Cuban President Fidel Castro attended a conference, which was closed by visitng former Venezuelan Colonel Hugo Chavez, who proposed an alternate development plan for Latin America.

Chavez was invited by Eusebio Leal, a historian of the City of Havana, to deliver a lecture on Simon Bolivar's political and military ideas, as part of the activities being

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held in the continent to commemorate the 164th anniversary of the liberator's death on 17 December 1830.

Chavez, who is currently leader of the Bolivarian Revolutionary Movement (MBR-200) outlined that organization's proposals noting their affinity with the ideas of Simon Bolivar to realize the dream of total continental integration and unity.

In that regard, he proposed an alternate development plan for Latin America and the Caribbean making full use of the resources of the countries in the region for common benefit. He added that in that plan, "soldiers will play another role, different from the one of occupational armies in their own territory at the service of petty politicians and corrupt officials..."

Along with his proposal, Chavez defended the need for armies in the region, but "made up of soldiers integrated with the economic, political, and social development of our nations; not soldiers who are blind and indifferent to the reality of our peoples."

Regarding the situation in his country, Chavez said there are historical and inevitable divisions within the Armed Forces because the institution has been made an occupational army, far from the Bolivarian mandate which calls for "raising the sword in defense of social rights."

That idea, he said, was replaced both in Venezuela and the rest of the countries in the area by the idea "America for the Americans," which seeks to eliminate all vestiges of national liberation.

Chavez, commander of the military insurrection against the government of former President Carlos Andres Perez in February 1992, recalled how the MBR-200 was founded and outlined its goals, based on Simon Bolivar's ideas. He said he hopes there will be no more military rebellions or extreme violence in his country.

The MBR-200, he said, struggles for "the economic, political, and social recovery in Bolivar's land, currently oppressed by traitors and petty politicians who have led Venezuela to the worst crisis of the century."

Regarding the situation in his country, Chavez recalled that 60 percent of the population lives in extreme poverty and is in a state of desperation.

"If (Venezuelan President Rafael) Caldera continues governing behind the back of the majority, pleasing the IMF, and implementing neoliberal policies like former President Perez, he will not complete his term," Chavez warned.

He predicted that should there be another popular rebellion in Venezuela, as the so-called Caracazo in February 1989, part of the Army will follow the orders of repression, but another part, the majority, will disobey and the country will be immersed in a civil war.

Speaking about the MBR-200, which he heads, Chavez said that this group, founded in 1982 by a small group of young officers, went through the rebellion and is now in a transition period trying to create a large social organization to fight corruption and dishonesty.

He reiterated his call to Rafael Caldera's government to call a National Constituent Assembly as the only step that will guarantee peace in the country. He also proposed creating a great National Bolivarian Front which should include the MBR-200, as well as workers, indians, soldiers, and other sectors and announcing its creation on 19 April, the day of Venezuela's proclamation of independence.

Chavez reiterated his group's proposals for continental integration as the highest Bolivarian ideal, and its call to install the second Amphictyonic Congress in Panama in July 1996, to pay tribute to the liberator, which he said is a great challenge for the countries in the continent.

Chavez also visited the house where Jose Marti was born and toured several places of historic interest in this capital. Last night he was honored at the main auditorium of the University of Havana by that institution and the Federation of University Students.

The ceremony was headed by Fidel Castro, who delivered a speech in which he praised Chavez' personality and thoughts, stressing that Cuba is honored by his visit, and noting that the ideas of the MBR-200 are for today's world.

Chavez Disagrees With Venezuelan President

FL1612025394 Havana Radio Rebelde Network in Spanish 1800 GMT 15 Dec 94

[From the "National Radio News"]

[FBIS Translated Text] Today, Retired Lieutenant Colonel Hugo Chavez, leader of Venezuela's Revolutionary Bolivarian Movement, departed from Cuba. Our correspondent Gisela Bel Heredia has a report on how Commander in Chief Fidel Castro saw him off.

[Begin recording] [Bel] Commander in Chief Fidel Castro bid farewell to the leader of the Revolutionary Bolivarian Movement from the foot of the stairs of the plane. The two men embraced as they had done upon Chavez's arrival. This is an expression of shared ideas and actions for the well-being and development of our people.

During Chavez's earlier news conference, he referred to the satisfaction that his visit to Cuba had given him and his disagreement with the opinions expressed by President Rafael Caldera on the issue of Cuba.

[Chavez] How can President Caldera propose during this so- called summit a continental fight against corruption? Why doesn't he begin with an example at home? Regarding President Caldera's opinions on Cuba's government and people, of course we do not agree. We are aware of other opinions—more privately—that he has expressed... [pauses] the continental opinion, which

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wants Cuba to democratize itself. We ask ourselves if the democratic model that Caldera wants for Cuba is the same as in Venezuela. If so, please pay no attention. That is not a democracy. What we have in Venezuela is a dictatorship disguised as a democracy. We would have to ask Dr. Caldera what the democracy he is talking about is when he refers to Cuba, when he says that Cuba should democratize itself. Dear God, pay no attention.

[Bel] Chavez arrived in Cuba last Tuesday and that very evening began a very broad array of activities that included visits to places of interest and meetings at the home of Simon Bolivar, as well as at Havana City's university where he was saluted by teachers and members of the Federation of University Students in the university's main hall. One of Chavez's dreams came true when he visited the home of Jose Marti. Since his arrival in Cuba, he had said that this was one of his priorities. From Havana City, Chavez will travel to Santa Marta in Colombia, where an invitation to the Second Amphictyonic Congress will be issued, as a manner of following in the footsteps of Marti, Bolivar, and other Latin American heroes. [end recording]

Chavez: Coup 'Cannot Be Ruled Out'

PA1612151294 Havana PRENSA LATINA in Spanish 2059 GMT 15 Dec 94

[FBIS Translated Text] Havana, 15 Dec (PL)—Retired Lieutenant Colonel Hugo Chavez today said in Havana that, like the Cuban people, the Venezuelan people were excluded from the Miami hemispheric summit, because President Rafael Caldera does not represent Venezuela.

In addition, Cuba's exclusion from last week's meeting confirms the importance of preserving principles and a rebellious nature by not accepting the submissive role of many Latin American political leaders who at first call unconditionally try to look for a solution where there is none, Chavez said.

Chavez held a news conference just before leaving Cuba, where he visited for nearly two days at the invitation of Havana historian Eusebio Leal to lecture on Simon Bolivar as part of the continental events to commemorate the 164th anniversary of the Liberator's death on 17 December 1830.

Chavez said Caldera does not represent his people, not only because "he was accepted and elected by only some 14 percent of the vote, while 70 percent of the voters abstained," but because, after pledging to govern for the masses, he favored the bankers instead.

Chavez underscored his disagreement with Caldera's proposal for political reforms in Cuba, and he added that it is necessary to ask Caldera whether what he is proposing for Cuba is the Venezuelan model. "If that is the case, then pay no attention to him, because in my country there is a civilian dictatorship," he said.

Referring to the position of the organization he leads—the 200 Revolutionary Bolivarian Movement [MBR-200]—Chavez said the MBR-200, which launched into two military rebellions 10 years after it was organized, now seeks to establish in his country a social, political, and economic program different from the existing one.

Caldera, he said, has reneged on everything he promised and continues to govern as usual with the same powerful men and with his back turned to the country, 60 percent of whose people live in extreme poverty. In addition, Caldera continues to finance corrupt bankers.

As I have said, if he continues on like this, Caldera will not be able to complete his term. A social flareup, like that of February 1989, or a rebellion by young officers in whom the fire of Bolivar's ideas still burns, could occur, Chavez added. In addition, a coup d'etat—one triggered by the most reactionary sectors and supported by international sectors which see their interests threatened—cannot be ruled out, he said.

We entertain the slight hope that there will be no further need to again resort to arms. If the situation keeps deteriorating, however, a civil war like the one last century—a federal war with thousands and thousands of dead—could occur. This would be a catastrophe in the country, he said.

For this reason, we are calling to create a great national Bolivarian front, and we are asking the people not to cast their votes for governors, mayors, and municipal councilmen but, instead, to press for a Constituent Assembly as the only peaceful solution. If the situation explodes, we will be in the center of the storm. If the people rise up, we will be with them.

During his stay in Havana, and in addition to his news conference, Chavez visited the house in which Cuban hero Jose Marti was born, and he visited several places of interest in Havana, some of which are linked to the history of Bolivar and Latin America.

Chavez was honored by Havana University and the Federation of Cuban University Students at the university's assembly hall last night.

Answering a PRENSA LATINA question, Chavez made a very positive assessment of his visit to Cuba, saying he felt deeply grateful for all of the attention he received. "I feel as though I am in the house of a rebel," he said. For this reason, he added, Washington has banned him from entering U.S. territory.

Just before boarding the plane that would take him back to Venezuela, Fidel Castro arrived at the airport to bid him farewell and walked with him up to the steps leading to the plane. Castro had also welcomed him upon his arrival at the airport, participated in Chavez's news conference, and made a speech at the university's assembly hall, praising the visitor's character, thoughts, and works.

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Castro Bids Farewell to Chavez

PA1612044494 Havana PRENSA LATINA in Spanish 1949 GMT 15 Dec 94

[FBIS Translated Text] Havana, 15 Dec (PL)—Cuban President Fidel Castro bid farewell today at the 'Jose Marti' capital airport to Hugo Chavez, retired Venezuelan lieutenant colonel, who concluded an almost two-day visit.

The chief of the Cuban revolution arrived at the air terminal a few minutes before the takeoff of the plane that was to take Chavez back to his country, accompanying him to the aircraft's steps around noon.

Chavez arrived in this capital on the evening of 13 December, invited by Eusebio Leal, Havana historian, to give a symposium on Simon Bolivar's political and military beliefs. This symposium was during the hemispheric activities commemorating the 164th anniversary of the liberator's death, which took place on 17 December 1830.

In addition, the former military man during his stay visited the home of Cuban forefather Jose Marti and other historical sites of the capital. He also was honored last night in the auditorium of the University of Havana during an event offered by this institution and the Federation of University Students of Cuba.

The Cuban president gave a speech at the university in which he praised Chavez as a person, his beliefs, and his works, saying he felt it was a great honor for Cuba to have him here.

A little before boarding the plane today, Chavez gave a news conference in which he explained the plans of the organization he heads in Venezuela, the Bolivarian Revolutionary Movement, promoter of the 4 February 1992 military rebellion against the government of former President Carlos Andres Perez.

In the dialogue with reporters, Chavez warned Venezuela could find itself hopelessly involved in a civil war if the major crisis continues in this nation, while he reiterated his appeal to President Rafael Caldera to dissolve the Congress and call for a national constituent assembly to maintain peace and to resolve matters.

Robaina on Admiration for Cuban Resistance

FL1612131194 Havana Radio Rebelde Network in Spanish 1255 GMT 15 Dec 94

[Telephone interview with Foreign Minister Roberto Robaina by correspondent Roberto Velaquez in Havana City; from the "Doing Radio" program]

[FBIS Translated Text] [Velaquez] Friends, we recently held a telephone interview with Cuban Foreign Minister Roberto Robaina during which we asked him about his visit to the Arab countries.

[Begin Robaina recording] We are almost half way through our visit. We are here for a technical layover [words indistinct] and it has turned into another part of the program.

Above all, Cuba has earned a space and understanding, at all levels,—even in our conversations with the main leaders, with representatives from all sectors and political forces, and the media. They respect and admire Cuba for what we are doing. I always make an effort to explain the efforts that Cuba is making. I always get satisfaction—and I can see the same look of satisfaction on their faces—when I explain how Cuba has resisted. Without being overly optimistic, Cuba has not only resisted, but has done so with confidence in itself.

The mere fact that it exists today is [word indistinct]. Against all odds and estimates Cuba is explaining its truth, not only of resistance, but of its projects, plans, and ideas. There are those who, despite the difficulties and the huge campaign, speak to us about investing in Cuba; they congratulate us for our experiences and opinions. People only do this when they believe in a country.

One of the most important things that I have seen in the Arab world is just how much they believe in Cuba. That is what I [words indistinct] because the trip is only half over, but my obligation is greater. It is a serious obligation, because sometimes I wonder if I am explaining to them, clearly enough, what Cuba [words indistinct] with the obligation that we cannot defraud the confidence that has been placed in Cuba.

For me, personally, and for the Cuban Foreign Ministry this is a very strong movement and a very strong [word indistinct] two serious obligations. Cuba and the Cuban people are respected for what they have been able to do during difficult times. Cuba listens, talks, and offers ideas; this is truly important. The spirit of the questions is totally different; most of them are with a great deal of admiration: How can we still exist? What have we done? How have we been able to do it? There is noting as stimulating as hearing expressions, as the ones that I have heard. If Cuba resists it is because there is resistance in the world. If Cuba did not resist there would be no resistance in the world. [end recording]

Says World Has Trust, Respect for Cuba

PA1612000094 Havana PRENSA LATINA in Spanish 0118 GMT 15 Dec 94

[By Ruben G. Abelenda]

[FBIS Translated Text] Havana, 14 Dec (PL)—Foreign Minister Roberto Robaina said today the world has much trust and respect for Cuba, "a criterion we again confirmed during our tour of Arab countries."

In exclusive statements to PRENSA LATINA via telephone from Rome, where he made a scheduled stopover, Robaina said the most important aspect of his tour of

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northern Africa and the Levant has been the confirmation of how much they believe in Cuba and its people. This makes our commitment to the world stronger and reinforces our obligation to not let down those who trust us, added the foreign minister, who visited Algeria, Tunisia, and Libya and will visit Jordan, Egypt, and Iran in upcoming days.

Robaina said that during top level meetings and meetings with various political forces in the states visited, he heard opinions such as "Cuba is resisting, because the world is resisting. The world would not resist if Cuba did not resist."

We were also asked with surprise how the Caribbean nation has managed to exist and to resist the economic blockade imposed by the United States after the disappearance of the Socialist bloc, he said.

Robaina said he explained how much the Cuban people have done to overcome difficulties and the fact that all those things have deserved respect and admiration.

The foreign minister added that during contacts of our tour, "we have been told about the interest of investing on the island, and we have been asked to share experiences and opinions, and this point reflects credibility in our project, in our truth."

Robaina described his tour as quite useful and fruitful and said it has a marked economic nature that is reflected by the interest innumerable businessmen have shown in Cuba's offerings after it adopted an open policy toward foreign capital.

He said the tour also has been positive, because we have been able to convey our truth at a historic time when the world is moved by distorted images of reality.

The minister also told PRENSA LATINA of his scheduled stopover in Rome, where he had a tight schedule that included a meeting with his Italian counterpart, Antonio Martino. In this regard, he said there was a meeting in Rome for the first time in the past years at the foreign ministers level between Italy and Cuba during which the existence of ties between the two countries was recognized.

Robaina said he has met with businessmen who have already invested in or are interested in investing on the Caribbean island and with other personalities.

He also termed a meeting with Cardinal Roger Etchegaray, president of the Pontifical Councils of Justice and Peace and of Cor Unum, at the Vatican today as the continuation of a dialogue that started in Geneva and included other locations such as Havana. "We reviewed the relations between the holy see and Havana" during that meeting.

Robaina said he will meet tomorrow with Jean-Louis Tauran, Vatican secretary of state for foreign relations.

TRABAJADORES on Revolution's 'Democratic Nature'

PA1212214694 Havana PRENSA LATINA in Spanish 1549 GMT 12 Dec 94

[FBIS Translated Text] Havana, 12 Dec (PL)—The weekly TRABAJADORES today said that the Cuban Revolution has survived precisely because of its democratic nature.

An editorial entitled "Our Participative Democracy" said this has been possible by "providing the process with continuous solutions and seeking the consensus of the majority, and this has protected its constantly threatened stability."

In an analysis of the participation of workers in the country's important economic and social decisions, the newspaper stressed that ideas about Cuba, such as "a society without democratic opportunities," have led to false predictions among its critics and enemies.

In this sense, it added, "They have failed to foresee Cuba's capacity to survive and create socialist ideals in Cuba in the wake of the collapse of the Euro-Soviet model."

Further on, the editorial notes that in this nation it is normal to expand participatory democracy, while in other places, where governments proclaim the absolute rule of pluralism, "it would be impossible and unthinkable to directly consult the people on adjustment measures and capitalist policies."

TRABAJADORES stressed that Cuba has developed participatory methods through the parliaments in the workplace and the so-called assemblies for efficiency, in which workers have been consulted on economic measures the country has adopted.

The daily added: Today, our labor assemblies are characterized by their contribution to building a different consensus under extremely difficult and complex circumstances.

During those meetings, the editorial said, very sensitive topics have been discussed, which "in all cases reflect the conflict between the requirements for efficiency, defined as a condition for national survival, and the previous methods that guaranteed absolute levels of equality, as well as labor and social security."

Finally, TRABAJADORES stressed that the labor movement's commitment for 1995 is "to continue struggling tirelessly to broaden the participation of workers in the decisionmaking process in their (labor) centers and in the entire economy."

Central Oil Company Estimates Production Targets

PA1412154894 Havana PRENSA LATINA in Spanish 1512 GMT 12 Dec 94

[FBIS Translated Text] Varadero, Cuba 12 Dec (PL)—For the first time ever, the Central Petroleum Drilling

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and Extraction Company [Empresa de Perforacion y Extraccion de Petroleo del Centro], located in this Cuban beach resort, will produce over 900,000 tons of crude in one year, according to deputy director for production Sergio Quintana.

The 1994 plan calls for production of 888,000 tons, but the company's 1,800 workers are morally committed to surpassing this amount by at least 30,000 additional tons, Quintana assured PRENSA LATINA.

This company, that guarantees over 70 percent of the nation's petroleum production, supplied the economy with 11.8 billion tons of crude between 1981 and 1985. In 1986 it supplied 485,940 tons, while in 1989 it supplied 547,518 tons.

The fall of the Socialist Bloc and the demise of the Soviet Union, two factors that led Cuba to adopt a series of dramatic measures known as the Special Period, had unfavorable effects on the company's production, which in 1991 fell to 324,423 tons.

According to Quintana, the startup of joint ventures, mainly with Canadian and French companies, and greater institutional attention to the sector's requirements made the industry's speedy recovery possible. Production reached 682,087 tons in 1992 and 815,017 tons last year.

He indicated that within these projections next year's plans call for production of 1 million tons of crude, extracted from nearly 180 wells being exploited in the 1,200 km area between Matanzas and Sancti Spiritus Provinces for which this institution is responsible.

He said that the Matanzas petroleum workers are also committed to fulfilling the drilling plan, set at 4,370 meters (45,191 meters were drilled in 1991). Instrumental in this endeavor is final installation of equipment needed in a new light petroleum deposit in the Guasina field.

Referring to joint ventures in which the company is engaged, Quintana indicated that the majority of the contracts (four) have been signed with Canada Northwest Energy Ltd. Ties also exist with Canada's Fortuna Petroleum and France's Total and OFD companies.

He recalled that in May the Canadian companies discovered a new oil field (Cupey 1-X) at approximately 3,500 meters while drilling in Bahia de Cardenas.

The cost of drilling exceeded the intial estimate of $20 million. According to preliminary evaluations, 586 tons of crude could be extracted daily. This would be encouraging production. But exploiting this find is up to the Canadians, he explained.

The French company Total is exploring in two areas (sea and land), while OFD is interested in doing similar work in Varadero but at depths greater than 2,000 meters.

Joint petroleum ventures will also try to increase production from wells now in operation; Central has had promising results in this regard.

These contracts were signed with Canadian companies, which over a one-year period were able to raise production to 166,516 tons, where the plan originally called for 133,424 tons.

Aside from the use of new technology, the increase in the company's production is due to more incentives for workers, that include raising average salaries from 238 to 329 pesos (equivalent to dollars at the official rate of exchange), according to Quintana.

The workers' on-site living conditions were also enhanced by improving meals and by solving some personal hygiene and clothing problems. This has helped end the drain of personnel to other sectors like tourism, which is no less important for the national economy, he noted.

Study on Youth Attitudes Reported

95CA0049A Havana JUVENTUD REBELDE in Spanish 6 Nov 94 p 5

[Article by Alina Perera Robbio; first paragraph is JUVENTUD REBELDE introduction]

[FBIS Translated Text] Since the mid-1970's our society has been predominantly young, with about a third or more of the population between the ages of 14 and 30. It was primarily a "young" youthful generation during the 1970's and the first half of the 1980's, and it is expected that in the final years of the 20th century a mature youth group will predominate throughout Cuba.

A friend from the provinces told me how, years ago, he realized who he is. It was when he had an opportunity to get to know other parts of the world for the first time. He visited Paris; the trip from Cuba to the venerable old continent was a delightful discovery. But when he returned on the bus from the Jose Marti International Airport to the center of Havana, he saw a **drab scene lit by a prehistoric above-ground wooden and cable structure.** His dismay was interrupted by a traveling companion who told him: **"We are Third World people, do not let it bother you."**

What was most striking to me in that anecdote was not the inevitable contrast between two worlds but that someone—born in 1971—should abruptly grasp our underdevelopment through such an image.

I understood my friend, and thought it might be traumatic or difficult for many people in the present generation to accept our country's humble nature. Still, in this reflection there also arose the need to accept that poverty as a sort of inevitable obstacle to be overcome; if not, our young people would become so distorted that they might run the risk of contributing almost nothing to this society.

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This led to me to investigate just how well adjusted the present generation is to the nation's objective conditions. I wondered: What are the most widespread expectations of young people in Cuba today? Might they perhaps differ a great deal from what young people need and can give the nation?

At the Psychological and Sociological Research Center of the Academy of Sciences of Cuba, extensive research is being conducted on today's youth (1) by Dr. Maria Isabel Dominguez. She explained that because of the Special Period, **economic and social restrictions in terms of higher education, employment and material consumption necessarily require a change in the model of well- being to which people can aspire, readjusting young people's level of expectations to the real conditions that an underdeveloped society like ours may offer, at the same time that it is necessary (...) for people to realize that the harsh blow which the Cuban economy has suffered demands for a more or less extended period strict limitations to achieve a minimal recovery, and that that recovery will only be achieved (...) by prioritizing the role of work.**

However, that necessary process of adjusting expectations must also face the difficulties that have been accumulating in earlier phases, difficulties which can be summarized, to simplify, in this contradiction: a high level of aspiration—undervaluing of work.

What is the origin of that contradiction? The study just mentioned cites among the causes the fact that the promotion of social equality as a value might have become an **egalitarianizing practice** which has created in the collective awareness "the idea that the rights acquired—free education and health care, social security—are now inalienable rights of the individual in Cuba."

Another negative factor was insistence on the idea that the supreme objective of socialism was to satisfy the ever-growing needs of the population. This has created a "certain automatism," ignoring Cuba's historic disadvantage as an underdeveloped country, while at the same time the economic opportunities the island would derive from its membership in the CEMA [Council for Mutual Economic Assistance] were overrated.

The fact that many young people would see work as the means to satisfy their aspirations was a standard cultivated for years—and it still is—by the family, school, and political and mass organizations, but that practice was not more efficient (2) because different institutions in many cases established priorities in the roles which they understood to be their their principal responsibility (studying) without having an overall vision of education. According to a recent study (1993) entitled **Effects of the Special Period on Youth (3), this led to a reduction of the influence exerted by institutions on young people, with the role of the peer group gaining ground in the socialization process, based on the development of a certain generational identity which seeks to emphasize its distinctive traits in relation to adults (..) in ways of acting and in their appearance, which has often tended to reinforce consumerist attitudes.**

The studies also cite as a factor which increases this high level of aspiration—undervaluing of work contradiction the fact that institutions have formed homogenous expectations among youth, which for many groups has meant major imbalances between their real possibilities and their aspirations.

One of the most typical examples of this—states the report just cited—is the lack of specificity of the socialization which rural youth have received over the years. This has encouraged them to form expectations of urban lifestyles and jobs.

Finally, the study **Effects of the Special Period...** explains that a weak internalization of work has prepared many young people "to handle an existing situation, but has given them little creativity and flexibility to adapt to changing realities."

There has at times been paternalism and undervaluation by adults toward younger generations, which has shaped the passive role of these generations, who have seen their sense of commitment and responsibility toward society restricted.

All this has created intergenerational conflicts and it has been a major cause of rising expectations among youth. Maria Isabel Rodriguez and Maria Elena Ferrer say that, in more than a few young people, **there has developed more of a consumer's than a producer's psychology. Young people have grown accustomed to being given everything, from free education and health care (...) up to fashionable clothing which their families provide, without their being any relation to the nature of their own efforts, and so there is no self-limitation of those expectations based on an evaluation of real possibilities. Instead, the limits have been imposed from outside and it is harder to accept such limits.**

Identity and Expectations

We belong to one generation or another depending on the historic moment in which we play our role. We are ourselves, and in addition to that—as Ortega y Gasset would say—we are our circumstances. So specific historic events may shape and define entire generations.

Dr. Maria Isabel Dominguez has proposed a classification into four generational groups for Cuba's 20th century: the first includes people born between 1922 and 1943, the second those born between 1944 and 1949; the third, people born from 1950 to 1961; and the fourth, those born between 1962 and 1975.

The fourth generation includes the present intermediate and mature youth group. By the end of the 20th century, its members will bear most of the responsibility in Cuban society. These are people born during the socialist phase of the Revolution, so the majority of them do not

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know capitalism at first hand. The harsh class-based confrontations of the 1960's are distant experiences or may not even form a part of their experience at all. They perceive as natural rights, not gains of the Revolution, the social protections provided by the government.

There are three major subgroups in this generational group. Depending on the type and level of their expectations, they have been classified as (4) "vanguard," intermediate, and negative. It should be made clear that the classification of a young person according to his aspirations is not categorical, as a person may have characteristics of one group and turn toward another. Those "in the vanguard" are distinguished by the social orientation of their aspirations. A typical statement by people in this group might be:

First I have to establish my career, but after that I will think about marrying and having children.

My country's situation is very difficult, but we must all work to get it through the crisis and then consider our own more personal aspirations. I want to be of use wherever the Revolution may need me.

The intermediate group has relatively high aspirations, individual in orientation, with passive positions toward solutions and little interest in politics. While its members criticize the way society is working, they do not necessarily challenge the praxis of the Revolution or the principles of socialism. This group includes people who think as follows:

My position on the Special Period is to wait and see what happens. I can not do anything about it.

I would like to live my youth fully, not to stop doing what I want. I would like to be very happy and have someone to love. What keeps me from fulfilling my desires is the country's situation, but I hope it will be resolved some day and then I will live.

In the third category—the negative subgroup—its members have typically internalized a foreign model of well-being, with their expectations basically centered on material consumption.

Their high level of aspirations leads young people in this category to seek satisfaction in specific ways like robbery, prostitution, marriage for self-interest, the desire to leave the country as an alternative to shortages, lack of interest in work and a certain opportunism. This means that even when many of them are socially integrated, they only use the Cuban social system to the utmost, when in truth they remain critical of it. They are fanatics about consumerism and in extreme cases are making plans to leave the country. Young people in this subgroup often say things like:

I want to have a life without shortages, to have a house with all possible conveniences: Japanese video and television, music equipment, a full refrigerator, a luxury bathroom, good clothes...

I would like to leave Cuba, but come back as a tourist and live on the money I make abroad.... Not having been able to establish a career is a limiting factor.

Everything is apparently fine in Cuba; We have education, health care, and other things free, but in the end these things are not everything in life. I would rather pay for my own education and health care, and in return have more conveniences that we young people dream of, things that we do not see here and will not see here for a long time.

It seems stupid to me to blame the embargo for the situation in which I am living now. In this country everything gets botched up and nothing works and you feel like there are unending limitations everywhere.

All the "dreams" of many of the present generation show that even now when the Special Period is making our Third-World nature more explicit, some people have not adjusted their models of well-being to reality. Instead they keep them as they were in the days of the socialist bonanza, at the price of seeking new ways—sometimes negative—to achieve their goals.

For this subgroup, the nation's difficult situation is only the Great Sin—viewed out of context and out of its historic time—for which preceding generations will have to render an account. In that view, the causes of our depression are "so internal" that, for example, neither the shortage of resources nor our status as a Third-World nation, or even the brutal and powerful harassment of Cuba by the United States, which has gone on for decades, seem to count.

Young people who see things this way are deprived of one of the surprising but vital incentives for understanding the historic value of accepting the challenges of this hardship and working to overcome the present crisis. They will not understand—and this is the incentive—that certain events, because they are so important, merit greater efforts. For how important and difficult is our **ethical dissonance**, so close to the United States, in the midst of worldwide capitalism?

In 1975 Carpentier said, about what we are and what we may continue to be:

As for the marvelous reality, we only have to stretch out our hands to touch it. Our contemporary history presents us every day with unprecedented events. The sole fact that the first socialist revolution of the continent could have happened in Cuba, in the worst position to favor it—I say in the worst geographic position—is already in itself an unprecedented fact to which are added many other unprecedented facts which for our glory (...) have happened in the history of the Americas from the conquest until the present.

The meaning of the present generation could be summarized by giving continuity to that "marvelous reality." So, as an immediate responsibility, there appears for the majority of young people the understanding that only work will get us out of the crisis. And that in the end,

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when Cuba is operating at full power again, we will never be an empire, but only a simple Latin American island whose greatest privilege will, in any case, be our independence.

Footnotes

(1) Dominguez Garcia, Maria Isabel: "Youth and Generations: Reflections on Cuban Society Today." Havana, 1993.

(2) Ferrer, Maria Elena and Maria Isabel Dominguez. "Effects of the Special Period on Youth." Havana, 1993.

(3) Ibid.

(4) The classification of generational groups appears in the two research documents used in the preparation of this report.

* The authors of this report wish to express their appreciation for the assistance of economist Rafael Rodriguez Diez.

Prospects for Pharmaceuticals Reported

95CA0063A Havana TRIBUNA DE LA HABANA in Spanish 13 Nov 94 p 2

[Report on interview with Nestor Gutierrez, production chief for the Medical Pharmaceutical Industry, by Barbara Avendano Perez; place and date not given]

[FBIS Translated Text] In the preceding edition, we discussed the topic of medicines, and suggested a separate interview with the Medical Pharmaceutical Industry [IMEFA], in which we would inquire about the possibility of reducing the shortage of pharmaceuticals that still exists, as well as the situation and prospects for 1995. Today, we offer those responses, given in an interview held with Nestor Gutierrez, the IMEFA production chief.

He remarked: "When the medicine control system was first implemented in the City of Havana, the Medical Pharmaceutical Industry had not executed the agreements that are now in effect.

"The main commercial agreement is with China, for the purchase of raw materials and medical equipment and containers, especially glass bottles.

"A shipment of aluminum tubes for ointments is due to arrive in the country. They had to be imported because our light industry failed to keep its commitments for that production, owing to work force and technological problems."

With these solutions alone, the Saul Delgado factory, for liquids, which has undergone considerable remodeling, and the Roberto Escudero factory, for ointments, will increase their respective production. There should be a decline in many of the shortages of medicines most commonly required by the population.

This will afford an almost immediate opportunity to process syrups for treating colds and asthma, antidiarrhea and antispasmodic preparations, as well as optical and ophthalmological drops, and topical products.

He indicated: "We expect, during this month and December, that there will be better responses than those given in August and September, and an improved outlook for the beginning of 1995, compared with the start of the current year. This should occur particularly for the products that depend on the aforementioned laboratories.

"Most of the raw materials for pharmaceuticals distributed through a control card, produced nationally, are located in Cuba, but a priority order must be issued for their processing. Some of them are zymethidine, nitroglycerin, spirinolactone, thyroid, and pyrocarpine eyedrops.

"We have a guarantee for producing broncho-dilators, salbutamol in a spray and in a liquid for aerosol, aminophyline in capsules and tablets, and other products to reinforce that pharmacological group, in keeping with the winter season that is beginning."

There is no difficulty with the production aspect of neovitamin II; the industry is equipped to meet all of the population's demand. However, production is now being geared to the consumption level, which is not yet stable.

Nestor commented: "Problems could occur with transportation, because of the long distances entailed in our principal trade. The consequences of the blockade imposed on us are evident there. We can only buy where they will sell to us; and, sometimes, at extremely high prices.

"We cannot take the risk of purchasing a raw material offered by any firm; we must be sure of its quality. But if we had a stable trade, we would know which supplier was the most reliable, and we would make agreements with him. The proximity of the market would enable us to make better use of the foreign currency allocated for this purpose.

"Sometimes we must prepare a pharmaceutical containing five raw materials and, for lack of one of them, the product has to wait for its uncertain opportunity to be completed."

On the other hand, a factor that will benefit future production is that nearly all of the city's medicine factories are connected to the prioritized electricity system. The water shortage problem also has been solved, with tank trucks delivered to the laboratories affected. The work force is beginning to stabilize, as a result of the treatment given to individuals.

While the technician working there is important, the laborer is all the more so. Absenteeism has now declined, and an effort is being made to reinforce the packing and inspection personnel, who are in the shortest supply. With these additions, there will be better conditions for producing, because the workers in that industry have given proven signs of dedication at the most difficult times.

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Haiti

Abuses by U.S. Military With FRAPH Connections Reported

FL1612002594 Port-au-Prince Signal FM Radio in French 1130 GMT 15 Dec 94

[FBIS Translated Excerpt] The U.S. military seems to have exceeded the parameters of their mission. Those Marines have been indulging in disproportionate exactions in various parts of the country for several days now. In addition to those in lower Artibonite, the inhabitants of Baie de Henne have experienced difficult times with those people these last few days. The justice of the peace in the area as well as his deputy have had to flee the persecutions of the U.S. military who have teamed up with members of the local branch of the Revolutionary Front for the Promotion and Progress of Haiti [FRAPH]. The justice of the peace of Baie de Henne met with the press on 14 December. Let us listen to him.

[Begin unidentified justice of the peace recording, in Creole] The first thing they did [pauses].... They staged two raids. They staged the first raid on Sunday, 4 December. He [not further identified] gave his son Eddyson a weapon, along with a certain number of bullets, the origin of which we know nothing about. He [not further identified] held a weapon in his hand and had a yellow bag slung across his shoulder. Then he gave his son Excellent Justin another weapon. They entered the home of Michel Saint-Cyr, whose wife is pregnant. That is a crime. They began shaking the woman [pauses].... under the protection of Americans with weapons in their hands, they shook the woman until she fell unconscious.

[Unidentified journalist, interrupting] The foreigners were witnessing all those things?

[Justice of the peace] The foreigners were witnessing all those things. They nevertheless did not tell him don't do this or don't do that. When we intervened, as a judge, they told us [words indistinct]. Even when you tell them you are a judge, they do not [pauses]... They just lie flat on the floor, pointing an arsenal of heavy weapons at you. Since you have no weapons or anything, you have no choice but to run away. We have had to run away. [passage omitted] [end recording]

CEP Appointment Deadline Passes; Deputies Protest

FL1512222794 Port-au-Prince Signal FM Radio in French 1130 GMT 15 Dec 94

[FBIS Translated Excerpt] The deadline issued to the three branches of government for nominating delegates to the Provisional Electoral Council [CEP] expired on 14 December. Certain parliamentarians say they are dissatisfied with the government's decision. Chamber of Deputies President Frantz Robert Monde sees the U.S. behind the 24-hour deadline granted to parliament to choose its three representatives to the CEP. Bob Monde does not think the amount of time granted to the parliamentarians was sufficient. The president of the lower chamber warns the executive against rigged elections.

Deputy Elie Plancher considers the decree establishing the electoral council unconstitutional. Plancher says he favors the creation of a permanent electoral council, while Saurel Jacinthe believes the executive should contact the parliamentarians to motivate them to choose their CEP representatives. [passage omitted]

CEP Bargaining Continues

FL1612002494 Port-au-Prince Signal FM Radio in French 1800 GMT 15 Dec 94

[FBIS Translated Text] Bargaining over formation of the Provisional Electoral Council [CEP] continues 24 hours after the expiration of the deadline issued by the executive to the two other constituent state powers, the legislative and judicial, for submitting their lists of CEP delegates. The bargaining continues again today regarding selection of provisional electoral council members.

The spokesman for the Haitian presidency, Mr. Yvon Neptune, said today that the executive will publish the names of its three CEP representatives by decree on Friday, 16 December, explaining that there will be no extension of the deadline provided to the three branches of government for submitting the names of their electoral council representatives. Neptune advises that discussions are under way about whether to let the legislative and judicial powers make their choices under a reasonable deadline.

Neptune adds that it is still possible to consider the proposal submitted by the political parties that they submit a list of 27 credible candidates to the three branches of government. The three branches would in turn then choose the nine CEP members from that list.

Contacted by telephone on 15 December, the president of the lower chamber, Frantz Robert Monde, said the assembly of deputies will provide a verdict in the early afternoon today regarding their choice of new representatives. Asked about the proposal made by the political parties, the elected Anse-a-Veau representative said it is up to the deputies to agree or disagree with the proposal.

Finally, the 27 personalities submitted by political parties to the three constituent powers of the state include: Attorney Martial Celestin, member of the Assembly of Progressive National Democrats and former prime minister of the Manigat government; Pierre E. Dugene, member of the Nationalistic Progressive Revolutionary Party of Haiti, and former minister advising in Belgium; Jean-Francis Merisier, former member of the 1990 electoral council and the one who implemented the contested 18 January 1993 elections; and Charles Millery, member of the National Agricultural and Industrial Party, of Louis Dejoie II.

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Mayor Paul Announces Presidential Candidacy

FL1512224094 Port-au-Prince Signal FM Radio in French 1800 GMT 15 Dec 94

[FBIS Translated Text] Evans Paul will soon enter the presidential race. The Port-au-Prince mayor confirmed the escalating rumors concerning his upcoming candidacy for the post of president. The National Front for Change and Democracy [FNCD] spokesman this week confirmed his participation in the upcoming elections if and only if his party, the FNCD, approves his decision. Let us listen to what Paul had to say to journalists:

[Begin Paul recording] [Words indistinct] not yet made this decision within my political front, FNCD. I think the president wants to organize the elections quickly. I cannot run alone. I belong to a party. FNCD has not yet made a decision in this sense, but I intend to be a candidate. I do not wish to discuss it now because, on the one hand, the elections have not even been declared; and, on the other hand, my political front has not yet made a decision to that end. [end recording]

Aristide Leaves for Caribbean Conference

FL1612011994 Port-au-Prince Signal FM Radio in French 1130 GMT 15 Dec 94

[FBIS Translated Text] President Jean-Bertrand Aristide left the country on 14 December to attend the Annual Caribbean and Latin American Conference, which has been under way in Miami since 12 December. Aristide left the country at 1500 and will take advantage of his stay in Miami to meet with the Haitian community in South Florida. He called for calm and peace in his absence, and congratulated the Haitian people for their behavior during his recent stay in Miami for the Summit of the Americas. The lavalas president announced good news—that the cost of living is about to decline:

[Begin Aristide recording, in Creole] Since I returned on 15 October, the price of food has declined slightly. In December, many of you were complaining that the price of food had again risen and that you wanted to know the difference between when there was an embargo and now, when there is no longer an embargo. Hunger is hard, the cost of living is high. That is true. I have heard that. So has the government. That is why last week during the last meeting of the ministers, we decided that the prime minister and other concerned ministers should meet and dialogue with various businessmen to figure out a way to reduce the prices of such products as rice. This step is meant to decrease the cost of living and make for a better Christmas season. I take this opportunity to congratulate those business people and to thank them in advance for this cooperation with the government in reducing the cost of food.

It is because the cost of living is high and because we do not have jobs that I am leaving today. What am I going to do? It is comparable to a family situation, when a family's mother or father finds himself or herself with nothing to feed the children. If he or she sits idly at home, there is no hope. But if he or she goes out into the streets and tries to find something, there is at least the hope that upon his or her return, there will be something to eat. That is exactly why I am leaving today. [end recording]

Michel Discusses Employment, Storm, Conference

FL1612002694 Port-au-Prince Signal FM Radio in French 1130 GMT 15 Dec 94

[FBIS Translated Text] The Haitian Government seems to have made a good impression at the annual Caribbean and Latin American conference. Haitian Prime Minister Smarck Michel spoke of the Haitian delegation's success at this conference, which has been taking place in Miami since 12 December. Michel, addressing a group of journalists, announced measures to help the victims of Tropical Storm Gordon. The employment issue was also tackled. Michel confirmed the upcoming start of labor-intensive public works, perhaps a Christmas gift from the government.

[Begin recording, in Creole] [Michel] There have been several conferences. Minister Lafortune held one. Minister Rey held one. According to reports I received, they have had great success at the conference.

[Unidentified journalist] Do you have high hopes from the conference?

[Michel] We had hope before, and now we have even more.

[Journalist] Mr. Minister, what has the prime minister's office done about the Gordon situation? The Gordon issue? I mean the issue relating to the storm, Gordon.

[Michel] Oh! they are working very hard. Many things are still happening. Distributions continue. They are working everyday and every night.

[Journalist] Are there new figures?

[Michel] Figures?

[Journalist] Figures relating to the number of victims, of missing persons.

[Michel] The latest figure we have is a little more than 1,100. [end recording]

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Talks To Continue With U.S. on Proposition 187

PA1612042294 Mexico City NOTIMEX in Spanish 0137 GMT 16 Dec 94

[FBIS Translated Text] Mexico City, 15 Dec (NOTIMEX)—The Mexican Foreign Secretariat has reiterated the government will uphold its commitment to defend the human rights of conationals living in California, the United States.

In a communique disseminated in this capital, the Mexican Foreign Secretariat has stated it will continue with the dialogue and the communications with U.S. authorities, after the suspension of the implementation of the anti-immigrant Proposition 187, in California.

The Mexican Government will uphold the defense of the human rights of its conationals throughout the United States despite the temporary suspension of the proposition by a California judge who deemed it unconstitutional.

The Mexican authorities will continue to closely watch the U.S. courts' handling of suits filed to decide the unconstitutionality of Proposition 187 according to the Foreign Secretariat.

Proposition 187, approved in the 8 November referendum, which is considered xenophobic, seeks to prevent illegal aliens living in California from having access to medical and educational services.

Federal Judge Marina Pfaezler extended the suspension of the implementation of the Proposition 187 provisions in Los Angeles, California, on 14 December.

Commerce Secretary on Hemispheric Free Trade Accord

PA1612121994 Mexico City EL FINANCIERO in Spanish 14 Dec 94 p 21

[Report by Lourdes Gonzalez Perez]

[FBIS Translated Text] Herminio Blanco, commerce and industrial development secretary, has warned the government will not sign the hemispheric free trade agreement announced during the past Summit of the Americas if Mexico has failed to hold negotiations or sign agreements favoring the interests of the country by the year 2005.

Appearing before both the Commerce and Foreign Relations Commissions of the Senate of the republic, Blanco said the purpose of the country's trade policies is to improve the standard of living of Mexicans, to increase the competitiveness and production of local industries, and to create enough jobs to meet the domestic demand.

Questioned about the proliferation of bilateral and trilateral trade agreements on the continent and the mechanism that would make them converge until reaching a hemispheric agreement, the commerce secretary said that this agreement is only an alternative and that there is much to be done to create a continental free trade region.

Blanco also guaranteed the commerce ministers of all the countries will work hard to attain the goal by the year 2005. He stressed, however, the Mexican Government will not sign any agreement if it fails to meet the interests of the many national production sectors.

The commerce secretary said in all the negotiations we have held, the negotiating team has defended more than the timeframe; it has defended the results of the negotiations, namely the substance. "We will never conclude a negotiation without having, from our standpoint, the certainty that we attained the best for Mexico, that we protected the country's interests, and that we obtained the best access to other markets for our national products."

He later delivered a detailed speech on the free trade agreement with Bolivia, which would come into effect in 1995 if the Senate approves it.

Blanco answered the questions by legislators of the party blocs represented in the higher congressional chamber. German Sierra (from the PRI [Institutional Revolutionary Part]), Jose Angel Conchello (from the PAN [National Action Party]), and Heberto Castillo (from the PRD [Party of the Democratic Revolution]) during the first round of questions insisted on the future of the Latin American Integration Association (ALADI) in view of the many bilateral and trilateral agreements signed by the region in the last few years. They also questioned the manner in which Mexico will converge these agreements to guarantee the forming of a single free trade agreement for the hemisphere.

The head of Secofi [Secretariat of Commerce and Industrial Development] replied to this question by explaining the program of negotiations to draft this hemispheric agreement has not been defined although we have already scheduled meetings on the subject to be held by commerce ministers.

In addition, he maintained Mexico will keep negotiating bilateral or trilateral agreements, assuming these agreements will converge in the future, as is the objective for the year 2005. He insisted later Mexico's competitiveness is based upon access to countries with which it has signed trade agreements. He said, however, we are trying deep down to continue the process of deregulation so as to eliminate the obstacles the small- and medium-sized companies are still facing to achieve an acceptable level of competitiveness.

As for ALADI, Blanco said the country will not extend the benefits members of this organization give to the United States and Canada unless these two countries give the same benefits to the national production sector. "Giving the ALADI countries the benefits given to the United States and Canada as a result of NAFTA would

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be disadvantageous for the Mexican production sector unless the ALADI members also give us the same benefits."

Blanco maintained the favorable access of Mexican products to other markets are guaranteed by the free trade agreements signed by Mexico and Bolivia, as well as by those Mexico signed with Chile, the United States, Canada, Costa Rica, Colombia, and Venezuela. Above all, new sources of jobs are opening up for Mexicans.

He concluded the agreement signed with Bolivia will give Mexican producers access to a market whose imports amount to more than $1 billion annually, because we are taking advantage of only 2 percent of that market. Mexican exports to Bolivia would pay an average 2.7-percent custom tariff instead of paying the current average 10-percent custom tariff on the first day of the implementation of this agreement.

PAN, PRD Condition Participation in Chiapas Commission

PA1612034494 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Dec 94

[Report by Juan Carlos Escobedo; from the "Evening News Panorama" newscast]

[FBIS Translated Text] The PAN [National Action Party] and the PRD [Party of the Democratic Revolution] have conditioned their participation in the commission of legislators for the Chiapas issue, as proposed by the president, with their authority and range of decisionmaking power being defined as soon as possible.

PAN Secretary General Felipe Calderon Hinojosa, in a conference at noon today, separately read a document outlining the PAN position in view of the presidential proposal. He described the peace effort as positive and said Congress also feels this way, because no party has a majority in the pluralistic commission appointment. He said PAN legislators will decide who they will appoint to represent them in this commission.

PAN warns, however, the commission's authority and decisionmaking power will decide its efficiency and competence. PAN believes the commission should work independently of the executive branch and treat it as just one side of the conflict. PAN believes the commission should not overlook the extended mediation work of the National Mediation Commission:

[Begin Calderon recording] The commission should be very careful to exclude those who are directly involved in this serious and very complex problem but should not dissipate its effectiveness by being too pluralistic, because this action does not correspond to the reality of the problem. [end recording]

The PRD national leadership also separately conditioned the participation of its legislators by stipulating that commission goals and procedures be clarified first. Porfirio Munoz Ledo said it is necessary in essence to define the commission's mandate to negotiate in Chiapas State. The PRD parliamentary group also outlined certain aspects through PRD Coordinator Hector Sanchez:

[Begin Sanchez recording] This commission must be empowered to decide in Chiapas while representing the executive branch. The commission must be able to make decisions. If decisions cannot be made, those attending must be able to give an opinion to the appropriate authority, the Chamber of Senators. If this commission decides that there is ungovernability in Chiapas and that a prewar situation exists, the powers must disappear, and it would be up to the Chamber of Senators to appoint an interim governor and to act as a transition governor. [end recording]

In principle, the PRD Senate parliamentary wing proposes Chiapas Senator Irma Serrano as the person to join the commission. They say, however, the PRD will not formally decide who will join this commission until the president outlines the goals and the power this commission will wield. They also say the presidential proposal does not match the proposal made by the PRD national council—to install a negotiating table.

The PAN leadership urged legislators, however, to decide as soon as possible who will comprise the commission. The PAN leadership stated the decision made by its legislators will be fully respected.

Mediation Commission Member on Zedillo Chiapas Plan

PA1612031294 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Dec 94

[From the "Evening News Panorama" newscast]

[FBIS Translated Text] Several sectors have welcomed President Ernesto Zedillo's proposal to create a commission for dialogue and mediation for peace in Chiapas. The commission would consist of deputies of the four political parties represented at Congress according to the president's proposal. Zedillo proposed in his address to the nation last night that the parties represented in the Congress, that is, the PAN [National Action Party], the PRD [Party of the Democratic Revolution], the PRI [Institutional Revolutionary Party], and the Labor Party, designate one deputy and one senator each to create this commission, which would thus consist of seven members, because the Labor Party has no representative at the Senate.

Zedillo said last night, as he has said at other times, the pacification effort in Chiapas is a priority subject. Jose Cardenas, head of the third edition of the "Panorama" newscast, interviewed Rodolfo Sanchez Barraza, member of the National Mediation Commission [Conai], this morning. Sanchez said Zedillo's proposal is sound but unilateral, because the Zapatist National Liberation Army [EZLN], the other side of this conflict,

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should also express its opinion and make some kind of proposal to attain peace in this convulsed state of Chiapas.

We will listen to a portion of this interview, which was held during this morning's "Panorama" newscast:

[Begin recording] [Cardenas] Dr. Sanchez, what is the role of the National Mediation Commission now that Zedillo has proposed to create a legislative commission to seek peace?

[Sanchez] It is necessary to consider two things in this particular instance. First, given the nature of the political and military conflict, Zedillo's proposal is unilateral. A consensus is required in this type of conflict. It is necessary for the other side, the EZLN in this case, to concur in order for this proposal to work. Second, Conai emerges as the result of a proposal made on an exact date, 13 October 1994, by Samuel Ruiz Garcia on behalf of the civilian society. Consequently, the possibility for dialogue through this commission will always remain open.

[Cardenas] Is it still possible to give dialogue a priority status as Zedillo has proposed?

[Sanchez] We who have been experiencing the difficult situation of the conflict here have this to say. Dialogue, as a political alternative based on willingness, requires certain conditions if it is going to be fruitful. We believe unilateral insistence could prove self-defeating, because the actions of certain government institutions seem to aggravate the situation and the crisis. This statement is what I can say.

[Cardenas] Do you mean the Mexican Army?

[Sanchez] The Mexican Army and more. There are a number of signs and faits accomplis that look like and can be interpreted by the other side as provocations or an ultimatum. The present circumstances have a history of their own, past or present, with a number of facts, signs, and countersigns that can explain the situation. In the history of this situation, we cannot overlook the responsibility of political participants who, with their decisions or lack of them, have made the historic situation possible. [end recording]

PRD Gubernatorial Candidate Rejects Zedillo Plan

PA1612031894 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Dec 94

[Report by Javier Cruz de la Fuente; from the "Evening News Panorama" newscast]

[FBIS Translated Text] We now have a report by Javier Cruz de la Fuente from Tuxtla Gutierrez, Chiapas. Amado Avendano Figueroa, the PRD [Party of the Democratic Revolution] candidate in the gubernatorial elections, has publicly rejected the proposal made yesterday by President Ernesto Zedillo for peace in Chiapas. Javier, how are you? Go ahead with your report.

[Cruz] Good evening, radio listeners throughout Mexico. Mr. Amado Avendano Figueroa, head of the parallel government installed on 8 December in Tuxtla Gutierrez, Chiapas, the temporary offices of which are located in the National Indian Institute [INI] building in San Cristobal de las Casas, said today that the president must resolve the Chiapas conflict, not the legislative branch.

During a news conference at his INI offices in San Cristobal de las Casas, Avendano Figueroa said that the Mexican president must resolve the conflict. He added that Chiapas residents do not understand how a commission can be appointed that is completely removed from the executive branch as this only exacerbates the problem and prolongs the conflict.

Avendano Figueroa further remarked that the conflict, as the Indians say, is not a game or a soap opera, and it is wrong to keep toying with the anguish of Chiapas residents. According to Avendano Figueroa, nothing has changed with the arrival of the president of the republic, and we are exactly as we were on 1 January.

[Begin Figueroa recording] The one who can and must solve the conflict is the president himself. Nothing has changed at all. We are still as we were on 1 January. The only thing the president is doing is undermining the solution to the problem. In addition, the president is just prolonging the anguish of all Chiapas residents. The executive branch is called to solve the problem, not the legislative branch. [end recording]

In conclusion, he indicated that the newly appointed mediators have not been commissioned to offer solutions but will simply end up on the long list of other mediators, such as Manuel Camacho Solis, Jorge Madrazo Cuellar, Samuel Ruiz Garcia, and the Conai [National Mediation Commission], all of whom attempted to mediate but wound up simple spectators.

According to Avendano Figueroa, the president made a mistake in making the proposal and said that the Chiapas conflict will resume any minute.

Stock Exchange President Terms Peace Plan 'Positive'

PA1612024394 Mexico City Radio ACIR Network in Spanish 0000 GMT 16 Dec 94

[From the "Evening News Panorama" newscast]

[FBIS Translated Text] Manuel Robleda Gonzalez de Castilla, president of the Mexican Stock Exchange, this afternoon termed the proposal made last night by President Ernesto Zedillo to secure peace in Chiapas as positive. He added, however—and this should be an embarrassment for Mexicans—that there is more trust in Mexico abroad than Mexicans have themselves. He

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stressed that foreign investors are depositing their capital in our country, but he acknowledged that this was not taking place in the same proportions or in the amounts seen last year or even at the beginning of this year. Nevertheless, this trend has continued. Here is a segment of what Manuel Robleda said:

[Begin Robleda recording, in progress] ...one of the main players in the stock markets on a world wide level. These type of investors currently participate at very low levels in the purchase of foreign securities. In the case of individual investors, the average invests only 3 percent of their portfolios in foreign securities. [end recording]

Manuel Robleda Gonzalez de Castilla said that although it is true that this year was difficult for all Mexicans in every way, internal factors such as Chiapas are what stemmed the flow of capital to our nation. He said that the economic variables are solid and firm as there is hope that speedy solutions will be found to the Chiapas conflict.

The president of the Mexican Stock Exchange said Mexico's economy should be consolidated in 1995. To achieve this, it is necessary to set goals such as achieving greater international competitiveness in the stock market. Likewise, there should be stricter regulations for some financial intermediaries in order to build an adequate legal framework which corresponds to international events, as well as self-regulation.

Manuel Robleda Gonzalez de Castilla added that the change of government also had some bearing on the decisions of foreign investors. He said that investors are still not fully confident that Mexico will emerge from its political and electoral problems. Nevertheless, President Ernesto Zedillo's statements show that the situation in Mexico will be solved and that the economic upturn will prevail.

Foreign Relations Secretariat Restructures Operations

PA1612011994 Mexico City LA JORNADA in Spanish 12 Dec 94 p 14

[Report by Jesus Aranda]

[FBIS Translated Text] Contrary to the previous administration, under which career diplomats headed the main departments within the Foreign Relations Secretariat, starting with Foreign Relations Secretary Manuel Tello, only Ambassador Sergio Gonzalez Galvez, the deputy secretary of foreign relations for multilateral affairs, is a member of the Mexican foreign service.

Deputy Secretaries Juan Rebolledo Gout, bilateral affairs, and Javier Trevino Cantu, international cooperation, have close ties with the Institutional Revolutionary Party [PRI] and the federal government.

Under the direction of Foreign Secretary Jose Angel Gurria, the secretariat also has restructured its operations and returned to the old system of deputy secretaries for bilateral, multilateral, and international cooperation affairs. This structure was used up until 1988, when it was replaced by the "A," "B," and "C" deputy secretaries, headed by Ambassadors Andres Rosental, Jorge Pinto, and Antonio de Icaza, respectively.

High-ranking secretariat officials have said this reorganization will be positive, because it will provide the department with a "more practical" operational structure.

A Foreign Secretariat document states the design and changes "respond to functional and not strictly geographical criterion." All three deputy secretaries enjoy the same rank.

Of the three, it will be Juan Rebolledo Gout who will replace Andres Rosental (under secretary "A"). Furthermore, it was learned Rebolledo will even occupy the same office the outgoing diplomat did during his term when he was in charge of North American affairs.

Rebolledo Gout is an attorney according to information gathered at the Foreign Secretariat. He was graduated from the National Autonomous University of Mexico [UNAM], went on to graduate studies in the United States, was appointed chief of graduate studies at the Political and Social Science School of the UNAM, worked as advisory coordinator for the Presidency during the last administration, and became private secretary to President Carlos Salinas de Gortari. Diplomats have explained the truth is that bilateral affairs will enjoy greater importance although the three offices are said to have the same hierarchy.

"In the middle," meaning the second most important of the three, will be Ambassador Sergio Gonzalez Galvez, who has joined the foreign service thanks to an opposition examination, as stated in his resume. [sentence as published] He was appointed a career diplomat in 1975 and is one of the 10 celebrated we have.

Gonzalez was deputy secretary A from December 1988 to April 1992. He was later appointed ambassador to Japan for the second time in 1992. He remained there until his current assignment.

Javier Trevino Cantu, the deputy secretary for international cooperation, received his bachelor's degree in international relations at El Colegio de Mexico. He received his masters degree in public politics at Harvard University. He was an adviser to the press secretary of the CEN [National Executive Committee] of the PRI in 1988, academic coordinator for the degree of public administration at El Colegio de Mexico, adviser at the Mexican Embassy in Washington, and information minister at that same embassy later.

He was an adviser to Luis Donaldo Colosio when Colosio was secretary of social development and then when he was nominated as the PRI presidential candidate.

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He was Ernesto Zedillo's adviser on international affairs during the presidential campaign.

The changes are reportedly still under discussion within the Foreign Relations Secretariat and will have to wait at least until next week, when Secretary Gurria returns from the Miami summit according to reports from high-ranking officers.

Column Assails 'Confused' Justice Reform

PA1512223694 Mexico City REFORMA in Spanish 12 Dec 94 p 15A

[From the "Strictly Personal" column by Raymundo Riva Palacio: "The Aztec Fujimori"]

[FBIS Translated Text] Society has been applauding and approving new plans for achieving justice for no other reason than weariness, and this should not cloud our minds so much that we permit a violation of constitutional principles and sovereignty, even while claiming to act for the common good. This is exactly what is happening with the bill presented to the nation Monday by President Zedillo.

Wearing a cloak of utilitarianism, and after having been advised by people who act in ignorance or in bad faith, President Ernesto Zedillo is greatly offending not only the Supreme Court of Justice, but also the Mexican state and the Mexican people. His confused and contradictory judicial branch reform is equivalent to a technical coup d'etat by the executive.

It is difficult to imagine that the new president has decided in a premeditated fashion to break the paralysis and overcome the vices and corruption that permeate the country's judicial system by lopping off the head of the Mexican judicial branch. It is easier to believe that his initiative is designed to achieve the cleansing everybody wants and demands. Nevertheless, Zedillo, who wants a nation of laws which is ruled by laws, cannot begin by wiping them out in an effort to improve them.

Zedillo's bill essentially shatters two principles: 1) the division of power; and 2) constitutionally established judicial stability. Likewise, his bill exhibits confusion concerning what it means to procure and impart justice, and it is preposterous because it mixes the attributes of two branches of state—the executive and judicial branches—which must be autonomous and independent of one another.

The bill definitely runs counter to the division of power, as in the case of the Judiciary Council which would be responsible for administering the entire judicial branch—with the exception of the Supreme Court of Justice—on matters involving licenses, permits, the resignation and appointment of justices, budgets, inspections, and furniture and fixtures.

A proposal delivered to Zedillo when he was president-elect by the Supreme Court called for the court having 26 justices, of which 20 and the president of the court would work at plenary sessions and in courtrooms meting out 9sentences. Meanwhile, the other five justices and the president of the court would comprise the Federal Judiciary Council for a two-year period, at the end of which the justices assigned to this administrative task would be rotated.

President Zedillo has proposed that the Federal Judiciary Council include the president of the court, a circuit judge, a district judge, two advisers designated by the Senate, and two advisers designated by the president of the republic.

The Zedillo proposal not only represents direct meddling by the executive branch in the judicial branch, it also lays the groundwork for an ominous future:

1. In the proposed body, the president of the Supreme Court would be placed at the mercy of council members who do not possess the rank of justices, which means that the position of justice and, worse yet, the position of the president of the court would be downgraded.

2. The self-government of the branches is shattered. Does any person who is not part of the executive branch manage the executive branch? Does this happen in the legislative branch?

Another principle violated by the Zedillo reform plan is that of judicial stability, whose establishment was envisaged in the Constitution of 1824. Later, the Constitution of 1857—a product of the revolutionary movement—along with the Assistance Plan destroyed judicial stability based on an initiative presented by Benito Juarez, whose historic mission was to destroy a court influenced and controlled by the doctrines of the Spanish Crown. The Constituent Congress of 1917 restored judicial stability.

Stability, which means that federal judicial branch officials hold their posts for life, is not a privilege; it is a necessity, because it guarantees independence and impartiality in the justice system. This principle does not exclude the possibility of a justice being removed from his post, but this may be the product only of improper behavior or of a request from the president of the republic to the Chamber of Deputies, asking for the dismissal under Article 111 of the Constitution.

Provisional Articles 2 and 3 of the Zedillo reform plan violate the principle of stability by saying that the current Supreme Court justices will be placed in retirement once the decree is implemented and by establishing a 15-year term limit for each justice.

The document expounding the rationale of the bill presented by President Zedillo does not explain the reasons for violating this principle. This is the first time the principle has been attacked since 1934, when Lazaro Cardenas was president-elect and proposed a bill to reform the judicial branch and dismiss all Supreme Court justices who were under the influence of former

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President Plutarco Elias Calles—something which Cardenas would fight while seeking to establish a court that would yield to his wishes and needs.

The Zedillo reform plan takes a bleak approach that weakens the foundations of the Mexican state and is the result of provisional Article 2, which affirms that once the decree goes into effect the current Supreme Court justices will be placed in retirement. This means that for an undetermined period of time the federal judicial branch will be headless.

Those who drafted and reviewed President Zedillo's bill did not realize they were going to behead one of the three branches of the Mexican state or that they were creating conditions for having, for a certain period of time, the executive and legislative branches only, not a judicial branch, because there would not be any Supreme Court justice.

Juridically and formally, constitutional Article 135 resolves the dilemma. This article considers ways of administering the court. However, politically speaking, the spirit and objectives of the Constitution are demolished by the Zedillo reform: The nation's Supreme Court will not have a supreme body and will not issue any decisions until there are seven new justices, as established by Provisional Article 3.

With his initiative, Zedillo, who has said he plans to reduce presidentialism, has taken the wrong door in an effort to reach this goal. His reform of the judicial branch contradicts his public statements and reflects an overwhelming type of presidentialism with actions that are more forceful, much more brutal, and much more bold than the boldest steps ever taken by President Carlos Salinas de Gortari. By depriving the Mexican state of one of its three branches, regardless of the duration of such a situation, President Zedillo would be carrying out a technical coup d'etat.

The third branch, the legislative branch, cannot permit this to happen. The Senate, where the initiative will first be discussed, must prevent this abuse by the executive. The Supreme Court will not defend itself. This was made clear last week. In turn, it is the legislators who must carefully study this from a republican point of view, with constitutional awareness, and with the objective of improving the Zedillo reform without damaging it.

The legislators cannot be confused or act hastily. They must broadly debate Zedillo's initiative on the judicial branch. They have the obligation to improve it. In its first test, the Zedillo government has demonstrated a lack of knowledge in noneconomic fields. It is now up to the legislators to show they are no longer puppets of the executive and that they know they must serve the nation and are prepared to do this in order not to be subordinated to a president-king.

PRI Parliamentary Leader Interviewed

PA1512222894 Mexico City REFORMA in Spanish 12 Dec 94 p 6A

[Interview with Humberto Roque Villanueva, coordinator of the Institutional Revolutionary Party, PRI, bloc at the Chamber of Deputies, by Julieta Medina; date and place not given]

[FBIS Translated Text] [Medina] How could you define the autonomy of the legislative branch compared with that of the executive branch?

[Villanueva] I believe the autonomy is adequately broached in the general Constitution of the Republic as the latter defines what corresponds to each government branch. The problems lie in what is outside the Constitution, namely the real treatment the branches give each other.

[Medina] Do you mean that the Constitution defines autonomy, but the problem lies in what is put into practice?

[Villanueva] That is right.

[Medina] What must the legislative branch do to realize this autonomy?

[Villanueva] The tangible facts through which this autonomy must he expressed have to do with an internal reorganization of the legislative branch. The work done by the commissions must be a privilege. We will indeed be increasing our supervisory capacity over the executive branch insofar as, for instance, the Surveillance Commission of the Financial Senior Audit Office [Comision de Vigilancia de la Contaduria Mayor de Hacienda], which has the delicate responsibility of being the liaison between the Financial Senior Audit Office and the Chamber of Deputies, has more information and greater support at its disposal to carry out its duties.

[Medina] What effect does the Institutional Revolutionary Party's [PRI] majority vote have? Could everything be solved with the PRI's majority vote at the legislative branch?

[Villanueva] Well, if we look at it strictly from the arithmetical point of view, yes, everything could be solved with the PRI's majority vote. However, I believe that this Chamber and the PRI bloc do not think this way.

[Medina] Would there be a political cost?

[Villanueva] That is correct.

[Medina] What would be the political cost of the PRI automatically using its majority to make decisions?

[Villanueva] The political cost of doing things alone as the majority is, logically, the loss of possibilities for a consensus. Our society is in an increasing need for a consensus, and such an important institution for the

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country as the Chamber of Deputies needs to make the best attempts so that decisions will be made after reaching a consensus whenever possible. When reaching a consensus is impossible, decisions must not have the strict and unilateral approval of only the PRI, but the approval of some of the other blocs as well.

The opposition has some say in even those opinions that seem to be very inexorable. The thing is that the opposition often believes that its say is not enough, so it decides to change its vote, thus truly altering the way the Chamber operates.

[Medina] Why would you want to reach a consensus if your bloc has the majority vote?

[Villanueva] Reaching a consensus almost means unanimity, which is very difficult to accomplish in life. In other words, we all have accepted the term consensus to mean the following: we want a larger degree of approval. Searching for a larger degree of approval is desirable and advisable, because such degree constitutes the ideal of social existence. The more consensus there is in society, the easier it is to govern it, and the social objectives that are favorable to all of us are more easily and quickly achieved.

[Medina] If the PRI ruled in a unilateral fashion, what effect would it have on the country's social existence?

[Villanueva] We must not mistake the principle of a majority for the principle of a consensus. You could make decisions in an isolated fashion and you have the quantitative political force as a result of the elections, but it would be absurd if you, as a government, wanted to represent only those who voted for you. It would constitute a contradiction, a lack of logic, and, above all, a lack of political sensibility.

As Ernesto Zedillo, who already is the president of all Mexicans, not the president of all PRI followers, said, we are saying that this Chamber of Deputies is committed to represent not only the PRI followers but all the citizens of the country.

[Medina] Is this principle what makes the country governable?

[Villanueva] Of course this principle is what makes the country governable.

[Medina] Which outdated practices of executive and legislative branches could be eliminated?

[Villanueva] When only one party had the majority of the seats in the Chamber of Deputies, the relationship between the executive and the legislative branches was very functional, leaning toward the single-party system. Things were being handled as though they were at home.

Now that we have greater party participation, we can no longer say that the legislative branch lacks the ability to act in a pluralistic fashion within the government institutions or within the commissions. Furthermore, we can no longer say that the president cannot hold talks with those parties represented in the Chamber.

[Medina] What effect do these talks have?

[Villanueva] That is very important. All governments that have a legislative branch have always maintained that the purpose of the opposition is to be the critical conscience of these branches, especially if the parliamentarian majority of these branches belongs to the ruling party.

The opposition performs its duty as the critical conscience at the chamber. This critical conscience, however, does not always operate in the bosom of the Chamber; sometimes when the opposition has a position that permeates out to the people, a movement could be created that sooner or later could modify the standpoint of the majority (the PRI majority).

This dialogue could positively influence some of the issues having to do with the executive branch.

[Medina] How could we reinforce the supervisory capability of the executive branch?

[Villanueva] This reinforcement is already taking place in a significant fashion thanks to the fact that the president of the Surveillance Commission of the Financial Senior Audit Office is an illustrious member of the first minority represented at the Chamber.

Along with this fact, this supervisory capability will have to be reflected in: better revision of the public finances, better performance by the Financial Senior Audit Office, and better preparation for the deputies to justly intervene in this matter.

[Medina] Although the Surveillance Commission president is a National Action Party [PAN] member, isn't he tied hand and foot by the other commission members who are in the majority and belong to the PRI?

[Villanueva] I would not say he is tied hand and foot. There is the same proportion in this commission as in the others; that is, according to the number of party delegates to the Chamber of Deputies. Let us not disregard the moral weight and meaning carried by the fact that the Presidency is held by a PAN member. The PRI members of the commission, the Finance Ministry Comptroller's Office, and all of the government institutions in general automatically pay special attention to anything done by the commission, given a member of the opposition presides over the commission. The significance of this aspect transcends the PRI's arithmetical proportion in the composition of the commission. In other words, the fact the president is a PAN member carries a moral weight and a political meaning. It has a real effect. If I am a public official and know the person presiding over the commission, the person in charge of checking my expenses, belongs to the opposition, believe you me, I will be much more careful than I would be otherwise.

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[Medina] What are the chances of the Treasury's comptroller being designated by the opposition, as it is done in other countries?

[Villanueva] I believe there is no clear opinion by one side or the other on this matter. Some people believe strengthening the Treasury Comptroller's Office is equivalent to giving it better instruments for carrying out its supervisory duty. Others propose changing the proportion of votes used to designate the comptroller. Still others believe the comptroller should belong to or be proposed by the opposition. I can say, however, the legislative branch is convinced of the need to strengthen the authority of the comptroller. The government is determined to do it and will do it.

[Medina] If the PRI majority in Mexico is in the government and the PRI majority appoints the comptroller, doesn't this result in the PRI supervising itself?

[Villanueva] The PRI would not supervise itself. It would if there existed an automatic procedure of approval and provided the PRI representatives in the legislative branch could be divested of all responsibility. This is not like giving us a blank check. If we believe the Comptroller's Office is linked to the Surveillance Commission, which is presided over by a distinguished member of the opposition, it can readily be seen that the PRI does not supervise itself.

[Medina] How far should state reform go regarding the separation between the PRI and the government?

[Villanueva] I would say a safe distance between the PRI and the government concerns three things: absolute, total honesty regarding the management of the party's finances; clearly defined methods and standards for selecting the party candidates, establishing the noninfluence of other than strictly party organizations in the selection of the candidates; and the fact that the party is constantly revising its principles and doctrines, platform, and campaign program.

[Medina] What reforms are necessary for this separation?

[Villanueva] None. The rules have been clearly established both by the Cofipe [Federal Code of Electoral Institutions and Procedures] and the electoral organizations in charge of proving the origin of campaign funds.

[Medina] What, then, is necessary to separate the PRI from the government? Are more penalties necessary?

[Villanueva] They already exist in the law.

[Medina] Maybe enforce the law?

[Villanueva] I believe that every standard can be applied to a specific degree of perfection and that greater perfection can always be attained.

[Medina] What would you tell the PRI people who resist changes in the country and the party?

[Villanueva] It would be presumptuous for me to tell the PRI people anything. I possess no other authority than being just another party member. I believe all of the PRI members should make a great effort to understand the changes taking place in Mexico and in society. The general trend is toward greater plurality and greater political balance. Our party should be strengthened by returning to its ideological wealth. When I say return, I do not mean we have forgotten this wealth. I refer to the feedback from its own ideology that every party should have. This is in reality the only way to strengthen political organizations.

[Medina] What risk does the PRI run if it ignores the need for a change?

[Villanueva] I will not answer your question, because it is hypothetical. I believe the PRI has the sufficient capability of self-criticism to understand the need for change. Nevertheless, the question is not so hypothetical if we consider the events in the country this year, including the assassinations and the Chiapas conflict. The PRI has always been wise to change at the right time.

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El Salvador

RN Breaks From FMLN; Shafik Handal Resigns

PA1512220594 San Salvador EL DIARIO DE HOY in Spanish 15 Dec 94 p 4

[FBIS Translated Text] The National Resistance [RN] has officially separated itself from the Farabundo Marti National Liberation Front [FMLN] to join a social democratic coalition being formed by the Salvadoran left. In addition, FMLN coordinator Shafik Handal has announced that he will resign his position.

RN general coordinator Gina Elizabeth Cordon has said that the organization "has permanently broken with the FMLN" to form a social democratic party with the People's Revitalizing Expression [ERP] and the National Revolutionary Movement [MNR].

According to top RN leader Eduardo Sancho, the decision was endorsed by the organization's rank and file during a weekend meeting.

RN has reported that the decision to break from the alliance stremmed from the need to revise the FMLN's policy "to avoid the government of a single party and to keep party leaders from imposing their own criteria on the political ideas of each faction leader."

Cordon said the RN is leaving the FMLN "with no hard feelings" and that there is no heritage to share. As an FMLN member, the RN worked for the same political goal, but each FMLN party faction has its own offices, heritage, and organization. Consequently, there is no need to argue over things they do not share.

Handal has said the ERP's and RN's decision to break away will not weaken the FMLN. "The question is whether the FMLN will become weaker or stronger as a result of this division. I think it will become stronger and more coherent," he said. He added, however, that "the idea of a party of tendencies or a debate was never ruled out."

Handal announced that he is leaving the coordinator post to make room for a new generation of movement leaders. "I have asked my fellow party members not to nominate me for the post of FMLN coordinator again. I am quitting, not because I am politically exhausted, but because there is a need for a change of management," Handal told a local television station.

Commentary on Summit Prospects for Social Development

PA1512225794 San Salvador Radio Maya Vision in Spanish 1200 GMT 15 Dec 94

[Station commentary: "The Summit, Integration, and Free Trade"; from the "Notivision" newscast]

[FBIS Translated Text] Prosperity is something we all pursue, but as the gap between rich and poor widens, the struggle for prosperity turns more conflictive, painful, and costly for the people. The urge to take up weapons and wage fratricidal wars has still not been eliminated as an extreme method for resolving the social imbalance created by the inequitable distribution of wealth. This has been demonstrated in the wars in Europe, Russia, Africa, and, closer to home, in Chiapas, Mexico. These conflicts cause markets to vanish and close.

Civilized minds and hearts seek ways to eliminate this means of overcoming social maladjustments. Encouraging prosperity through economic integration and free trade is a positive strategy which has been included in the plan of action signed by the 34 American presidents who met in Miami between 6 and 9 December. [dates as heard]

Even though the Miami summit has not in and of itself resolved our peoples' social and economic problems—they are not problems that cannot be solved by decree—it is clear that it presents an opportunity for a new economic order in North-South relations. Nevertheless, for the time being it is nothing more than that—an opportunity, even for the United States.

The goal to establish a free trade zone for the Americas by the year 2005 is intended to attain a zone of trade hegemony comparable to their [not further identified] main competitors—the European Community and Japan.

For Central America, especially for El Salvador, the signing of Concausa, the Central America-USA Agreement, supposedly under equal conditions, means that Central American area countries and the United States, with Canada's support, will carry out development projects with a high ecological component, such as support for the environment.

The challenge of El Salvador and other area countries is to raise our levels of productivity by improving productive infrastructure, supporting social stability through massive job generation, and maintaining a dignified position in the face of the powerful northern country so it truly fulfills its role as partner and drops its colonialist position of considering us their backyard, as was the case during the years of the armed Salvadoran conflict.

It is important for heads of state to admit that the economic problems the American people are experiencing require quick solutions that lend themselves to political stability with democracy and prosperity. Otherwise, the social explosion will be like the one in Chiapas. This is predictable in different areas of America, especially of Latin America.

Guatemala

Minister Denies Suit in Harbury Case

PA1612010094 Guatemala City PRENSA LIBRE in Spanish 14 Dec 94 p 6

[Words within italics as published]

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[FBIS Translated Text] Foreign Relations Minister Marithza Ruiz de Vielman yesterday contradicted Guatemalan Vice President Arturo Herbruger when she stated that the government does not plan to file a suit before the Inter-American Human Rights Commission regarding the accusations made against the government by U.S. citizen Jennifer Harbury.

Vice President Herbruger recently said that the government would file a suit before that body to end the defamation campaign fostered by the alleged wife of missing guerrilla commander Efrain Bamaca Velasquez.

The minister explained that the government had no intention of filing a suit and that perhaps the confusion arose when it was said that if anyone questioned the government's right to file a jactitation petition, the government would *consult an international organization.*

Honduras

Reina: Death of Salvadoran Peasant 'Minor Incident'

PA1612024694 Panama City ACAN in Spanish 0010 GMT 14 Dec 94

[FBIS Translated Text] Tegucigalpa, 13 Dec (ACAN-EFE)—Honduran President Carlos Roberto Reina today described as "a minor incident" the death of a Salvadoran peasant, allegedly at the hands of a Honduran Armed Forces officer, for which reason the Salvadoran Government has lodged a formal complaint.

During a visit to the town of Marcala, La Paz Department, on the eastern border to El Salvador, President Reina confirmed to Radio America the chief of the Armed Forces, Division General Luis Alonso Discua Elvir, has sent him a report on the death of Salvadoran peasant Santana Garcia Guevara.

It was a "minor incident," Reina said, discarding serious problems with the government of his colleague, Armando Calderon Sol, which has protested in a Foreign Ministry note what it described as a "deplorable act."

Reina urged the Binational Commission of the two countries to speed up the demarcation process to avoid incidents that could "weaken good relations."

Meanwhile, Armed Forces Spokesman Colonel Napoleon Santos Aguilar has said a joint commission was appointed to investigate on site the death of Santana and said those found responsible would be punished.

The governments of El Salvador and Honduras are demarcating their border following the decision of the International Court of Justice in La Halle, Holland, given on September 1992, which ended the 100-year-old border dispute.

Nicaragua

Chamorro on Achievements at Miami Summit

PA1512195194 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 15 Dec 94

[Report by Erica Ramirez; from the "National" newscast; passages within quotation marks recorded]

[FBIS Translated Text] [Announcer] President Violeta Chamorro has returned from the hemispheric summit in Miami, where she met with the Nicaraguan community.

[Ramirez] Thirty-four heads of state discussed commerce, sustainable development, and democracy in Miami over the weekend. President Chamorro played a prominent role, especially in the promotion of women's issues:

[Chamorro] "I called for greater participation of women in politics and all other areas; that they be treated with respect and equality."

[Ramirez] The president signed a $170 million loan agreement with Enrique Iglesias, director of the Inter-American Development Bank, to rebuild the country's basic infrastructure. Chamorro voiced to U.S. President Bill Clinton her concern over the implementation of Proposition 187 and her interest in extending the stay of hundreds of Nicaraguans:

[Chamorro] "I asked Bill to please give preferential treatment to my fellow countrymen, because they cannot leave overnight. The president said that he would take my request into account although separate branches are involved. I prayed to God on that day, I think it was 12 December, and Our Lady of Guadalupe to help me, to illuminate them and thus ensure that all Nicaraguans get preferential treatment."

[Ramirez] She reaffirmed her government's decision to open a special office in Miami to handle property lawsuits in January. In reply to a question, Mrs. Violeta briefly summarized her 1994 achievements:

[Chamorro] "Democratic freedoms, an improved economy, increased inflow of investors, private shopping malls, private banks... [pauses] I do not like to boast, but we also established free zones, and so on. I had not seen this in Nicaragua in many years, actually, I have never seen this before. I think that we should maintain our patience and faith, because we have already won. We have a democracy; what could be better?"

[Ramirez] She said that the most important thing is the unity of Nicaraguans to preserve the achievements attained through the democratic opening promoted by her administration.

Daniel Ortega Continues To Convalesce in Cuba

PA1612045594 Mexico City NOTIMEX in Spanish 1801 GMT 15 Dec 94

[FBIS Translated Text] Havana, 15 Dec (NOTIMEX)—A source close to Central American politician Daniel

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Ortega says the former Nicaraguan president will remain in Cuba until the end of December to receive medical treatment for a heart lesion.

The source told NOTIMEX that Ortega is recovering from the effects of a "silent" (without any outward signs) heart attack and is staying in Cuban protocolary housing, where he is receiving medical treatment, medication, and undergoing light exercise sessions.

Last night the former president attended a conference given by Venezuelan opposition leader Hugo Chavez—who will conclude a two-day visit to Cuba on Thursday—which President Castro also attended.

Ortega, dressed in formal attire, looked thinner than usual. The source said his treatment includes a diet, which has brought him to his normal weight, approximately 75 kilos.

The Nicaraguan politician spoke with Chavez for about 10 minutes in a narrow street in Old Havana. Afterward, he watched the former Venezuelan soldier, who was accompanied by Castro, lay a floral wreath before the Simon Bolivar Monument.

Ortega later listened to Chavez speak for about an hour at the Simon Bolivar House, which is in the same neighborhood. When the speech ended, Ortega left without speaking to reporters.

The source says the medical team attending the former president—who takes walks and does light workouts as part of his convalescence—is "optimistic".

Since last night, Ortega has been accompanied by his wife, Nicaraguan writer Rosario Murillo, and seven of his 10 children, the source added.

The source also said that the leader of the opposition Sandinist National Liberation Front (FSLN) spoke "for a long time" on the telephone to his brother, Nicaraguan army chief General Humberto Ortega, who will retire in February.

Recently, the former president of Nicaragua has received visits from Castro and former U.S. Attorney General Ramsey Clark. He also spoke on the telephone with former Venezuelan President Carlos Andres Perez.

Ortega began receiving medical treatment in Cuba on 30 November after a dizzy spell led to a general checkup, which revealed that the former president had suffered a "silent" heart attack in August.

Ortega traveled to Havana in mid-October to attend the First World Solidarity with Cuba Conference, which attracted approximately 3,000 delegates from 110 countries.

During his stay, the former Nicaraguan president has also met with leaders of left-wing Latin American political parties, Cuban authorities, and reporters.

Borge Assumes FSLN Leadership Due to Ortega's Illness

PA1512150994 Panama City ACAN in Spanish 0011 GMT 12 Dec 94

[FBIS Translated Text] Managua, 12 Dec (ACAN-EFE)—Tomas Borge today took over as acting secretary general of the Sandinist National Liberation Front (FSLN), because Daniel Ortega is ill and recovering in Cuba from a heart ailment.

The Sandinist leader, who is deputy secretary general of the FSLN, told reporters that Ortega is not in a Havana hospital but in a guest house where Cuban doctors have recommended that he rest for another month.

Borge, the sole surviving founding member of the FSLN, announced his new temporary position within the FSLN during a brief meeting with reporters, following the suspension of the Sandinist assembly's ordinary session in Managua. Sanctions against several FSLN members were to be discussed at the meeting.

The assembly, which was attended by 70 of its 135 members, was terminated due to differences that emerged over expulsion procedures for several members, because the organization has no regulations pertaining to this issue.

Borge explained that after a lengthy discussion, during which several members of the assembly demanded sanctions against deputies who fail to attend four consecutive sessions without justifiable reasons, it was agreed that a regulation would be prepared to punish deputies guilty of "absenteeism."

A special commission will draft a "mandate reversal regulation," which will soon be discussed by the Sandinist assembly, an organization that holds four ordinary and several special sessions yearly.

National Assembly Approves 1995 General Budget

PA1612024794 Managua EL NUEVO DIARIO in Spanish 12 Dec 94 pp 1, 8

[Report by Edgard Barberena S.]

[FBIS Translated Text] The National Assembly last night fully approved the 1995 general budget of the Republic following debates that lasted six and a half hours. Two long documents, which had been previously drafted by the Legislative Assembly Economic Affairs Commission, were read during the debates.

After the 47-sheet commission report was read, a report which was prepared by several members of the Reviewing Commission, it was submitted to a general vote. The national budget received 69 yeas, no nays, and four abstentions.

Among the deputies who abstained from voting, the electronic screen registered Edmundo Castillo, Moises Hassan, and Julio Marenco. Deputy Castillo said he

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abstained, because the report did not meet the required accounting norms. Deputy Marenco clearly said he did not agree with the Presidency's "discretionary funds."

There Were No Thorough Changes

Although it approved seven changes, transfers of small allowances for community works, the plenum did not make any major changes regarding government allocations, which were evaluated and modified by the Reviewing Commission, after negotiations with Finance Minister Emilio Pereira.

The small changes approved by the plenum were presented by Deputies Mirna Cunningham, Magdalena Ubeda, Roberto Laguna, Maria Teresa Delgado, Orlando Rizo, Miriam Arguello, Maria Ramirez, Luis Enrique Figueroa, and Marco Sequeira.

Thus, the plenum approved a regular budget for 2,677,833,000 cordobas, 2,636,843,000 cordobas in regular revenues and 49,990,000 cordobas in capital revenues.

As for expenditures, the Legislative Assembly approved 2,940,760,800 cordobas: 2,243,078,000 cordobas for regular expenditures and 697,682,800 cordobas for capital expenditures.

The Legislative Assembly approved 225 projects for the mayoralties and municipalities as well as large state funds for community works and projects, including construction of roads, the restoration of altars in churches, and school repairs in the countryside, among others. The budget also includes the approval of bonds for 13 million cordobas for teachers, 10 million for health workers, and 150,000 in financial aid for women suffering from cancer hospitalized at the Bertha Calderon Hospital.

The budget also includes a 120,000-cordoba allocation for the Leukemia and Cancer Department at La Mascota Children's Hospital.

Seven Million For the Police

A bonus for 7 million cordobas was approved for the police. The National Council of Universities was approved a transfer for 7.2 million cordobas for university records, and the National Assembly 13 million cordobas, which will include regular and capital expenditures.

The Supreme Court of Justice was also approved 2 million cordobas and the Supreme Electoral Council another 2 million cordobas.

Institutions Whose Allocations Were Reduced

The budget also includes reductions for the following ministries: the Presidency Ministry, whose "discretionary funds" were cut; the Education Ministry; the Labor Ministry; the Finance Ministry; the Economy and Development Ministry; the Construction and Transportation Ministry; the Tourism Ministry; the Agriculture and Livestock Ministry; the Foreign Ministry; the Foreign Cooperation Ministry; and the Government Ministry.

The legislators believe financing is necessary to cover the deficit of the national budget by 262,927,800,000 cordobas.

This financing will consist of 119.940,700 million cordobas in foreign donations and 142.987,100 million in disbursements of foreign loans.

What About Privatizations?

Several deputies said the budget sent by the executive does not reflect the amount of money generated by the privatization of state assets. Even Finance Minister Enrique Pereira said he did not know anything about these resources when he met with the Economic Affairs Commission. Deputy Dora Maria Tellez, head of the Sandinist bloc, presides over this commission.

Dora Maria said there are no legal means to force the ministers or the institutions to declare everything before the National Assembly, "because we are trapped in a problem stemming from the current Constitution and Budget Law."

Humberto Ortega Urges Establishing National Accord

PA1512161994 Managua Canal Cuatro Television in Spanish 0400 GMT 14 Dec 94

[Report by Miguel Mora; from the "Extravision" newscast; passages within quotation marks recorded]

[FBIS Translated Text] [Announcer] General Humberto Ortega on 13 December underscored the need for the establishment of a national agreement after visiting Cardinal Miguel Obando y Bravo, a move that he described as the beginning of the official transfer of the supreme command of the Army.

[Mora] In what he described as the beginning of the official transfer of his mandate to Major General Joaquin Cuadra, Gen. Ortega met on 13 December for an hour with Cardinal Miguel Obando y Bravo:

[Obando y Bravo] "We talked about the fact that Gen. Ortega will leave his post on 21 February, that he will transfer power to Gen. Cuadra. The general told me that [words indistinct] he will try to promote talks and an understanding, that he will ensure that Nicaraguans do so through civilized means."

[Mora] When asked whether his main aim of meeting with the cardinal was to ask for his blessing, Ortega replied:

[Ortega] "That is a sarcastic question [passage indistinct] a blessing at this time. At any rate, I think that that he would give his blessing without [words indistinct] as was the case when Daniel Ortega got sick."

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[Mora] The general also commented on his future as a civilian, on the current political situation, and on the best way to attack problems. Ortega said repeatedly that it is not indispensable that he return to the FSLN [Sandinist National Liberation Front] to promote his national agreement political project. He did not rule out a presidential candidacy in 1996.

[Ortega] "The important thing is not whether I will be a candidate [words indistinct]. No one has proposed my candidacy [words indistinct]. A nation such as Nicaragua requires serious, responsible, and strong political leadership. The people do not want politicking. A country needs a political direction, a political (?conviction); otherwise, it would be a body without leadership and would not be able to exist."

[Mora] The general underscored the need for a basic national agreement; otherwise, the country will become ungovernable, regardless of who wins. Ortega added that everyone should participate, that no one should be excluded from this effort:

[Ortega] "If this does not happen, the electoral campaign will further divide us. If we delay in reaching a basic agreement prior to the 1996 elections, if we fail to establish truly profound ethical values, and if we fail to create a more profound historic and patriotic feeling, we will tear each other apart. The electoral campaign will further divide the Nicaraguan nation and the political parties; it will deepen polarization; it will increase distrust. Who will win elections amid such an atmosphere? No one, because it will be difficult to rule in 1996 a country that is further destroyed, divided, and polarized."

[Mora] Ortega pointed out that he supports no current within the Sandinist party, other than one he described as historic. As for his future as a civilian, he replied that he will be some sort of political businessman:

[Ortega] "If capital is to grow, it must ensure better conditions for the workers. There must be investment, capital [words indistinct]. This is the reality. To defeat poverty we must encourage capitalists and investors to bring their money here, to work here while respecting the Nicaraguan nationality and the principles of our basic identity. Why not attract this capital? This is what I am currently doing. I have many contacts [words indistinct]."

[Mora] Gen. Ortega will continue to meet with other sectors of Nicaraguan society before he steps down and introduces his successor as Army commander.

Lacayo's Reform Proposal Reported

95CA0062A Managua EL NUEVO DIARIO in Spanish 23 Nov 94 p 6

[Article by Presidency Minister Antonio Lacayo; first paragraph is EL NUEVO DIARIO introduction]

[FBIS Translated Text] The following document was sent to the END [EL NUEVO DIARIO] Editor's Office by the Minister of the Presidency. In submitting it, he notes: "Considering how much talk there has been about my position regarding the constitutional reforms, and since the vast majority of what has been said is the opinion of others and not my own, I deemed it fitting to express in writing a few ideas that reflect my way of thinking."

Nicaragua, as a whole, needs to study in depth its national strategy for development. That responsibility cannot be borne by the government alone, nor even by the state alone, because the decisions made on the direction of the country's development will have a deep-seated effect on the lives of all Nicaraguans for many years. The decision on the national development strategy for the five-year period 1995-99 must be a national decision, a decision that we must all make together.

And that modern, participatory proposal for development will require new political institutions, which must be legalized and established in our Political Constitution. Hence, the constitutional reform, which I fully support, must be an integral part of the national strategy. If the constitutional reform is made as an isolated exercise of the national strategy, if it is not made with everyone, with a view toward that new Nicaragua, this constitution will, in turn, be unsuitable and obsolete. It will become another obstacle that will have to be removed from the country's path.

A constitutional reform in a stable country, with well established goals, is not the same as a constitutional reform in a country in transition, such as Nicaragua, which has changed its political, economic, social, and international framework, and is just now defining its national goals.

Hence, our constitutional reform must embody the most extensive and intensive intervention by all the leading civilian organizations on both the national and local level, as well as by all the state's branches of government and the local authorities.

Moreover, a distinction must be made in the reform between essential issues and issues involving political mechanics.

Among the essential issues of concern to the country's economic and social stability are matters as important as: revising an economic policy based on consensus that will generate more jobs; or deciding precisely who will have the capacity to establish taxes; or specifying the state banks' role in development. Others are: determining which of the state's branches of government should participate in international economic negotiations, and the powers of each branch per se; or deciding on free, compulsory health and education, or on how the state's assets can be transferred.

In other words, this entails defining how the state's branches of government, autonomous and independent

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of one another, should operate harmoniously for the benefit of the entire country. This will be achieved only if the work is done based on consensus, as was proposed by our president, Mrs. Violeta Barrios de Chamorro, nearly two weeks ago.

On the other hand, among the issues involving political mechanics, wherein interests of different groups and parties are combined, there is not only the question of who may be a candidate for the presidency, or whether a president may be reelected, and how many times. These issues involving political mechanics also include, for example: Assembly representatives to be elected per departmental district, and the number per national district, so that both the country and the departments will be fully represented. Other questions are whether the presidential election should be held with one or two ballotings; or the method for electing mayors; or the minimum ages for high public offices; or the voting by Nicaraguans residing abroad; or when a minister, deputy, or mayor must resign to become a candidate for the presidency of the republic.

These matters of political procedure, and particularly the well known topic of disqualifications, have monopolized the debate, to the detriment of the essential issues. As a result, the country as a whole, concerned about essential problems, feels that the politicians' agenda does not coincide with its own agenda.

The political mechanics issues must be resolved, but those questions must also be prevented from becoming an obstacle to the thorough, serious discussion of the essential issues.

Nicaragua has become stabilized, and has the foundation for constructing a new society; but that stability, which has cost all of us so many sacrifices, could collapse if all of us do not start defining the essential issues promptly.

As for myself, personally, I think that I have been a victim of a very malicious but well mounted campaign, which has attempted to depict me as a person more interested in my own candidacy than in a national plan for democracy and development. This does not conform to my real attitude. I am, first of all, a Nicaraguan, interested in leaving behind the futile, damaging political battles of the past, and in working with all men and women of good will to consolidate this free, democratic, peaceful, and progressive nation that we have been forging since 1990, based on the hard, patriotic work of the majority of Nicaraguans.

Therefore, I would like to make two proposals to the country, or one proposal with two parts, so that the debate on the constitutional reforms will not impede, but rather, will nurture that necessary great debate, among all of us, on the country's major issues.

First, I propose grouping the essential issues in a manageable number, and embarking on an extensive, calm, thorough debate in which the state's branches of government and the sectors affected will be involved. It would be on subjects such as the development of the economy, the generation of jobs, property, taxes, the foreign debt, education, health, drinking water, the role of the state banks, public investment, electric power, sewage water in the neighborhoods, feeder roads, administrative autonomy of the regions, the people's participation in public projects, and other matters of major national concern.

Second, I propose grouping the issues involving political mechanics, and seeking a procedure for resolving them in 1995 or before the next elections, so as to reflect the people's feelings about all these issues. This is required because both the essence and the form must be decided, thinking of the future, thinking of the Nicaragua that we want to leave to our children, and reaching agreement on the development strategy that we shall pursue in order to make possible this Nicaragua of which we have dreamed so long.

To achieve this, the form must not interfere with the discussion of essential matters, and the political debate must not be viewed as a war among petty interests instead of what it should be. There should be a lofty concern for consolidating a Nicaragua that will be good for everyone, with a legal framework and solid, stable political institutions responsive to the people and to the type of country that we Nicaraguans want to construct.

Isolating constitutional reform from this entire great task will not lead us to anything good. Putting the cart before the horse has never been advisable. Let us embark on the essential issues; let us agree on a national development strategy; and let us then approve the necessary constitutional reforms.

Managua, 21 November 1994.

Panama

Foreign Minister Delivers Note to U.S. Embassy

PA1512190094 Panama City Telemetro Television Network in Spanish 1730 GMT 15 Dec 94

[From the "Telemetro Reports" newscast]

[FBIS Translated Text] Foreign Minister Gabriel Lewis Galindo delivered a note to U.S. Acting Charge d'Affaires John Bennett regarding the Cuban rafters currently lodged in U.S. Southern Command bases. The letter contains a number of alternatives discussed with representatives of the Human Rights Commitee in Panama.

[Begin Lewis Galindo recording] By 3 March, the United States should have repatriated...[pauses] should have complied with the six-month agreement here. I see no reason to believe that this will not be done. They are conducting internal efforts in the United States to determine how many Cubans they can receive at this time.

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This is my personal opinion. They are also holding talks with other countries in order to find adequate places for them. [end recording]

Meanwhile, U.S. authorities through the U.S. charge d'affairs, said that the U. S. Government will respect the Panamanian Government's decision regarding the rafters' stay.

Human Rights Committee Urges Not Returning Cubans

PA1612014694 Panama City ACAN in Spanish 2141 GMT 15 Dec 94

[FBIS Translated Text] Panama City, 15 Dec (ACAN-EFE)—The Panamanian Human Rights Committee [CPDH] today delivered a letter to Foreign Minister Gabriel Lewis Galindo asking that the rafters in the U.S. military bases along the shores of the Canal not be returned to Cuba.

The letter states if the United States does not permit all Cuban rafters to enter its territory, "the burden should be spread equitably, a situation which, of course, would make Panama responsible for a certain number of the refugees."

According to the CPDH, the problem of the rafters should be solved through the provisions of the UN Conventions and Protocols on Human Rights for Refugees, of which Panama and the United States are signatory countries. These international agreements, the letter added, "prohibit the repatriation of refugees as long as the conditions that have led to the mass departure persist."

The humanitarian organization stated the measures taken by the U.S. military to prevent new incidents have turned the camps "into peacetime concentration camps."

The CPDH predicted the Cubans' "hopelessness" will continue to increase and warned disturbances and subsequent actions of force, which would discredit the United States and Panama, will reoccur.

U.S. Army South, stationed in the Canal zone, deployed 3,300 soldiers to police the refugee centers after last week's incidents when two Cubans drowned while trying to flee the camps and 221 soldiers and 28 rafters were injured.

Approximately 30 Cubans are still away from the camps, where "normalcy" has been restored although there is still "considerable tension" according to the Southern Command's most recent communique.

John Bennett, the acting U.S. Embassy charge d'affaires, said today he is discussing with friendly countries the possibility of their receiving a certain number of rafters, as Spain, which received 72 rafters "for humanitarian reasons," did.

Bennett confirmed the negotiations after meeting today with Galindo, who reaffirmed in the presence of reporters the Cubans must leave the bases on 3 March 1995, the deadline set in the agreement signed with the United States.

Galindo did not confirm whether Panama will accept rafters. He said, however, "we would receive some of them, not as refugees but after following a normal procedure."

Galindo said he believes the U.S. Government is trying to determine how many Cubans "can be assimilated" into the United States. He also said "an opinion poll" is being conducted in the four rafters camps to determine what countries other than the United States the Cubans would prefer.

Roundtable Discusses Constitutional Title on Canal

PA1612005994 Panama City LA PRENSA in Spanish 15 Dec 94 p A-3

[Report by Jose Quintero de Leon]

[FBIS Translated Text] Oyden Ortega Duran, chairman of the National Assembly Foreign Relations Committee, spotlighted the serious consequences the amendments to Law 96-70 will have on Panama. The bill is under study at the U.S. Congress.

Ortega Duran said the reforms "violate the Torrijos-Carter Treaty and are, therefore, bad." He added the Republic of Panama must file a protest through diplomatic channels.

He made these statements during a roundtable discussion about "Demilitarization and Civilian Transformation" that the Service for Peace and Justice in Panama (Serpaj) [Servicio de Paz y Justicia en Panama] organized as part of a campaign to eliminate any military presence in the area of the Canal and to convert U.S. bases to civilian use.

The event took place in the Simon Bolivar Library of the National University of Panama. Julio Yao, an expert on international affairs, was also present. Yao challenged the recently approved constitutional title, saying it is "null and void and violates 90 articles of the Constitution."

Yao said the events surrounding the approval of the new title meant the "collapse of the Panamanian juridical system," which he argued the Legislative Assembly has disregarded in its entirety.

Professor Manuel Zarate was also present. He outlined the challenges facing Panama in the area of demilitarization, and he stressed the need to address the demilitarization of the Panama Canal area, which is to be accomplished in two phases: before the year 2000 and thereafter.

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Zarate said the process should include not only the physical removal of military bases but also the building of a peace zone in Central America and Panama and all of that which implies adapting to the new world order.

Nicolasa Terreros Barrios, the Panamanian representative and Latin American coordinator for Serpaj, spoke on behalf of the organization. She stated the organization's position on the closure of military bases as the "effective means of regaining Panamanian sovereignty and its right to self determination."

As Serpaj believes the base closures are a prerequisite for laying the foundations for democratizing the country, Terreros said her organization opposes any attempt by Panama to renegotiate the military bases.

She also made it clear Serpaj also opposes the new constitutional title because it places the administration of the Canal in the hands of a private minority. The group also rejects U.S. intentions to turn over contaminated areas, thus violating the Torrijos-Carter Treaties.

Cabinet Declares 20 Dec Day of Mourning

PA1612045694 Panama City Circuito RPC Television in Spanish 2300 GMT 15 Dec 94

[From the "RPC Television News" newscast]

[FBIS Translated Text] According to a report we received recently, President Ernesto Perez Balladares' cabinet has just approved a proposal declaring 20 December a national day of mourning.

The decree states this date should be used to remember the men and women who died in 1989 as the result of actions by U.S. troops. In addition, the decree also stresses the national flag will fly at half mast on that date, but all private and public offices will continue operating as normal.

Paredes Lifts Shipyard Administrative Sequestration

PA1512234994 Panama City LA PRENSA in Spanish 15 Dec 94 p 2

[Report by Elio Rujano]

[FBIS Translated Text] Rigoberto Paredes, former PRD [Democratic Revolutionary Party] legislator, on the night of 14 December "voluntarily" lifted the sequestration of the administration of Braswell International Shipyard, Inc. "for the sake of the good relations between Panama and the United States," but he maintained the sequestration of assets.

Paredes signed a declaration lifting the sequestration at the request of Mitchell Doens, labor and social welfare minister, "for the sake of the harmony and serenity of the Braswells, who were peddling all types of influence."

"I consider this agreement very favorable to me, because I am maintaining the sequestration of assets, which are important and vital for the company as they are valued at more than 500,000 balboas, the amount owed me, in addition to attorneys' fees," Paredes stated.

The former PRD legislator maintained that his sequestration does not adversely affect the climate for foreign investment in Panama because companies are sequestered every day. However, he lifted the sequestration for the sake of the good relations between Panama and the United States, "because it seems that these relations emerged in this issue."

Paredes signed the order to lift the administrative sequestration in the presence of Labor Director Santiago Santos; Jose Miguel Aleman and Lourdes Phillips de Lopez, Braswell's legal representatives; some Braswell workers; and Rafael Neira, National Port Authority (APN) presidential adviser.

The PRD member said he could not say whether the United States had "twisted arms in Panama" to have the sequestration lifted, but he did say that the U.S. consul expressed his concern about the issue.

Meanwhile, Jose Miguel Aleman, Braswell's legal representative, emphasized that the required legal procedures will be followed and that Carlos Mendoza and Eduardo Valle will represent the company at the hearing.

The APN granted Braswell the authority to manage the Balboa Port shipyard if the company agreed to assume the previous owners' debts, which amounting to $1.977 million. In addition, Braswell had to invest $2.5 million in the Balboa shipyard facilities, which pay an annual rent of $250,000 to the APN.

The Labor Directorate General of the Labor Ministry accepted the sequestration filed by Paredes, who alleges that he is due $469,364 in labor benefits. According to the company, Paredes is not entitled to this money because he was not an employee of the previous license holder; he co-owned the license.

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Argentina

Menem Contracts With Lockheed on Military Concession

PY1612013394 Buenos Aires TELAM in Spanish 1452 GMT 15 Dec 94

[FBIS Translated Text] Cordoba, 15 Dec (TELAM)—President Carlos Menem today signed in Cordoba the contract giving Lockheed Aircraft a concession of 25 years on the Cordoba Materiel Area [AMC]. Lockheed will have an option for two 10-year extensions at the end of the first 25-year period.

The document was also signed by Defense Minister Oscar Camilion and Lockheed Corporation Vice President Ken Hollander.

Lockheed will refurbish 18 of the 36 "Skyhawk" Douglas A4-M planes that Argentina purchased from the United States. The other planes will be refurbished in the United States.

The agreement establishes that Lockheed will hire the 2,070 AMC workers, respecting their salaries and seniority.

President Menem arrived in Cordoba at 1020. He flew from the federal capital and was received at the local airport by Cordoba Governor Eduardo Angeloz and by the mayor of the city of Cordoba, Ruben Marti.

Also present were numerous leaders of the local JP [Justicialist Party] branch, including former Ambassador to Brazil Jose Manuel de la Sota and Cordoba mayoral candidate Cesar Albrisi.

Menem spoke briefly with reporters. He said that the reopening of AMC through a concession agreement with the company Lockheed was "very important."

"Jobs in the plant will be consolidated, and perhaps, with time, they will hire more people," the head of state said.

Menem said the purpose of the agreement was "to reactivate the entire AMC, which will become a plane maintenance and repair center for the whole of Latin America."

The president then flew to the AMC on the presidential helicopter "Malvinas Argentinas." Here Menem presided over the signing ceremony that gave the concession of the military plane factory to Lockheed.

Menem departed the federal capital at 0915. He was accompanied by a large entourage that included, among others, Defense Minister Oscar Camilion and Foreign Minister Guido Di Tella.

The entourage also included Brigadier General Juan Paulik, Air Force commander; Lieutenant General Mario Candido Diaz, head of the Joint General Staff; Military Household Chief General Jorge Rearte; and National Borders Police Commander Timar Musumeci.

Lockheed President H. T. Bowling and Lockheed Corporation Vice President Ken Hollander, among other officials and executives, accompanied President Menem on the Tango-01 plane.

Also travelling on the plane, at the special invitation of the president, were former judge and Cordoba Justicialist Party gubernatorial hopeful, Guillermo Johnson, and his running mate, Oscar Gonzalez.

Di Tella on Terrorism on Border, AMIA Case

PY1512173294 Buenos Aires TELAM in Spanish 0315 GMT 15 Dec 94

[FBIS Translated Text] Buenos Aires, 14 Dec (TELAM)—Foreign Minister Guido Di Tella tonight talked about the existence of clues that would indicate the establishment of terrorist groups on the Brazilian and Paraguayan borders.

The foreign minister noted: "There are signs, not information, that there could be preparatory movements for terrorist actions in the Brazilian and Paraguayan border triangle."

Di Tella pointed out: "This data is available to Argentine intelligence, and Brazilian intelligence also concurs with it."

The minister spoke tonight during the closing ceremony of the seminar "The Threat of Fundamentalist Terrorism," which, under the sponsorship of the Argentine-Israeli Mutual Association (AMIA), has been held since 12 December at the AMIA headquarters at 632 Ayacucho Street.

Di Tella emphasized that he feels ashamed because the court investigations into the anti-Semitic terrorist attacks in our country have still not yielded any positive results.

The foreign minister admitted: "The court investigation has still not achieved any result. I am ashamed to admit this because we are going through the same experience as that reported by other countries."

Interior Minister Carlos Ruckauf, who represented President Carlos Menem, asked the legislative branch to approve a bill on identity of witnesses. The bill allows changing the names of those who supply important data for resolving violent episodes.

Ruckauf also asked that the "repentant person" mechanism, allowing those drug traffickers who supply data for fighting drug trafficking to avoid prison, be extended to the perpetrators of terrorist actions.

Ruckauf pointed out that societies cannot afford to remain indifferent vis-a-vis terrorism. He emphasized that the AMIA bombing is not a problem of the Jewish community alone, but of the entire Argentine nation.

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Ruben Beraja, the Delegation of Argentine-Israeli Associations (DAIA) president; AMIA President Alberto Crupnicoff; and Argentine Zionist Organization President Oscar Hansman, among others, participated in the closing ceremony.

Di Tella admitted that "the courts' initial enthusiasm over the resolution of the bombing has faded," but noted that the intelligence structure and the information exchange with other countries has improved significantly.

Di Tella emphasized that Argentina will act within the framework of legal mechanisms because "we will not concede victory to terrorism, resorting to unsupported charges or illegal actions."

The foreign minister noted that some people believe the changes made in the Argentine foreign policy are responsible for the terrorist attacks. He said: "Some people say Argentina has been included in a list of assailable countries due to the stance it has taken at the international level."

In a remark that was applauded by his audience, Di Tella emphasized: "If this is the case, we will not change our policy because we will not let a group of terrorists manage Argentine foreign relations."

Intelligence Expert Views Iranian Ties in Bombings

PY1512194794 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1240 GMT 15 Dec 94

[FBIS Translated Text] Buenos Aires, 15 Dec (NA)—Israeli intelligence expert Ygal Carmon has said that "Iran, undoubtedly" was the country that "masterminded the attacks" against the Israeli Embassy and the AMIA [Argentine Israeli Mutual Association] headquarters. He rejected the idea that Buenos Aires has become a center of interest for "Islamic terrorism."

Carmon added: "Islamic terrorism may hit anywhere in the world." He denied that Mosad, the Israeli intelligence service, has "networks or informers" in Buenos Aires.

He told journalists: "In fact, there is not much security in Argentina." Carmon mentioned that "one just goes through at Ezeiza international airport; there is no computer network, and counterinsurgency measures are not apparent."

He explained that this is not "pointed criticism" because similar things happen at European, Asian, and American borders, mentioning that "there is virtually no control between Canada and the United States."

Asked about which country, in his opinion, is directly responsible for the two tragic terrorist attacks in March 1992 and July 1994, Carmon responded: "The country that masterminded these attacks—which was undoubtedly Iran—believes it has an advantage: because here in Argentina one may do what one pleases."

Carmon said Iran believes "Argentines have no national pride" and, "for this reason or for economic reasons, they will not investigate."

He ruled out the idea that targets for Muslim militants are "Jewish or Israeli alone." He noted: "Fundamentalists believe Western systems and principles, and democracy itself, are corrupt and heretic."

Carmon also emphasized that "suicide drivers were involved" in both attacks. After the AMIA bombing, for example, "a leg was found."

Concerning Mosad activities, Carmon said: "Mosad's funds and means are very limited. We don't know much about the Shi'ite community in Buenos Aires. Our information comes from our sources in the Middle East. We have no networks or informers here."

Concerning the Shi'ite community, Carmon pointed out that the local media "should expose their activities."

Carmon noted: "(Iranian) Cultural Attache Moshen Rabbani is involved in indoctrination activities and the promotion of violence, but the media are not reporting this."

He praised the work of Federal Judge Juan Jose Galeano because he is conducting "a responsible and dedicated investigation" to resolve the 18 July bombing in which about 100 people were killed.

Di Tella Complains About U.S. Subsidies Policy

PY1512124894 Madrid EFE in Spanish 0033 GMT 15 Dec 94

[FBIS Translated Text] Buenos Aires, 14 Dec (EFE)—Argentine Foreign Minister Guido Di Tella complained today over the U.S. export subsidies policy. He noted that this attitude will represent a problem for continental integration.

In discussing the Free Trade Area of the Americas, Di Tella emphasized: "There are huge inconveniences with regard to achieving the goal by the year 2005."

Di Tella noted that, while this proposal seems to be supported by the United States, this country "is implementing a restrictive policy."

The foreign minister pointed out: "There is a subsidies policy for wheat that has caused a problem with Brazil. And if it weren't for Brazil's absolute solidarity with Argentina, we would have a huge problem."

In remarks to Radio Del Plata of Buenos Aires, Di Tella explained that "empathic remarks, which are important, are one thing; ugly and contradictory practices," at odds with those principles, "are quite another thing."

Di Tella concluded: "I believe the U.S. Government is aware of this duality and that it has actually declared that it is willing to reduce this duality by the year 2005, the deadline for continental integration."

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Di Tella Views Plebiscite on Indemnity for Kelpers

PY1512192094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1358 GMT 15 Dec 94

[FBIS Translated Text] Buenos Aires, 15 Dec (NA)—Foreign Minister Guido Di Tella today admitted the possibility of the national government calling a plebiscite to become acquainted with the people's opinion with regard to the idea of indemnifying the Kelpers in exchange for recognition of our sovereignty over the Malvinas Islands.

The foreign minister also confirmed that the government is preparing a package of legal measures to take action against the United Kingdom if oil exploitation is unilaterally carried out in the South Atlantic archipelago.

Asked about the possibility of holding a plebiscite to gauge opinions on the controversial issue of paying indemnity to Malvinas Islands residents in exchange for their acceptance of Argentine sovereignty, Di Tella responded that this method, included in our Constitution, "might" be used.

Asked when this plebiscite could be held, Di Tella smilingly responded "at 1600 tomorrow," hinting at the fact that there is no problem whatsoever in calling this plebiscite.

Di Tella made these remarks at the Jorge Newbery Metropolitan Airport this morning before leaving for Cordoba, along with President Carlos Menem and other government officials, to participate in a ceremony in which the U.S. Lockheed Company will take over the Cordoba Materiel Area.

Di Tella confirmed the government's decision with regard to initiating legal actions against companies carrying out oil exploration and exploitation activities in the Malvinas Islands shelf, measures that would also include the British crown.

The foreign minister announced that "a package of legal measures" that would be filed with British courts and in the countries of the companies carrying out oil exploration and exploitation activities is under preparation. He noted that this possibility is "quite likely" to happen.

Di Tella emphasized: "Unfortunately, the United Kingdom controls that area. We therefore are preparing a package of legal measures for filing if UK companies exploit oil. This possibility is quite likely to happen."

In this regard, Di Tella explained that the actions would be filed "with the civil courts of the countries of the companies that might carry out these activities."

Asked if these legal actions would be filed against companies or against the United Kingdom, Di Tella emphasized that they would be filed "against both of them." He noted, however, that these measures would not be "as effective" if they are taken against the United Kingdom.

Di Tella also flatly denied that the U.S. Government, specifically President Bill Clinton, would be asked to mediate in the conflict regarding sovereignty over the islands.

The foreign minister again championed the so-called "seduction policy" implemented by the Foreign Ministry with the Kelpers. Although he noted that "its chances for success are low," Di Tella emphasized: "There is no other alternative."

Di Tella also emphasized the government's favorable interpretation of a poll conducted by the British consulting company Mori. In this poll, the Kelpers were asked if they would recognize Argentine sovereignty in exchange for indemnity.

Di Tella explained: "I believe the poll conducted in the islands shows that there is a diverse situation and not a single bloc." In his opinion, "under certain conditions, 28 percent" of the Kelpers "are willing to consider" the payment of an indemnity.

The foreign minister again criticized Mario Campora, the former Argentine ambassador to the United Kingdom, who had to leave his post after expressing his disagreement with the Foreign Ministry policy on the Malvinas issue.

The foreign minister emphasized: "Campora made a mistake because he openly expressed disagreement that should have remained within a nonpublic circle."

Camilion Denies Inefficiency in Pampa Accident

PY1512191794 Buenos Aires TELAM in Spanish 1317 GMT 15 Dec 94

[FBIS Translated Text] Buenos Aires, 15 Dec (TELAM)—Defense Minister Oscar Camilion today emphasized that the accident involving a "Pampa" plane in Mendoza Province yesterday, in which two crew members were killed, "is completely unrelated to the efficiency" of these planes.

Speaking at the metropolitan airport before departing for Cordoba along with President Carlos Menem, Camilion noted: "It was an accident that occurred during a training maneuver. Unfortunately, the plane crashed into a mountain."

Brazil

Franco Ends 5-Day Visit to U.S., Returns Home

PY1512125194 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 15 Dec 94

[FBIS Translated Text] After a 5-day official visit to the United States, President Itamar Franco arrived at the Brasilia Air Base late last night. On the first leg of his visit, he attended the Summit of the Americas in Miami. Then, Franco went to Washington, where he met with U.S. President Bill Clinton and attended the signing of a

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$420-million agreement with the Inter-American Development Bank. Through this loan, the Brazilian Government will be able to implement a tourist development program in the northeastern region.

Today, President Franco is scheduled to receive the greetings of military officers who were promoted to general in November.

Cardoso Shelves Plans for Administrative Reform

PY1512214094 Sao Paulo AGENCIA ESTADO in Portuguese 1807 GMT 14 Dec 94

[Report by Christiane Samarco]

[FBIS Translated Excerpt] Brasilia, 14 Dec (AE)—The administrative reform bill that President-elect Fernando Henrique Cardoso intended to implement at the beginning of his administration hardly lasted 15 days. His reform was daring and envisaged the restructuring of the entire social administration, including the dissolution of two ministries: Regional Integration and Social Welfare. Cardoso's administrative reform will not be implemented as he approved it last 28 November. Defeated by the pressure exerted by his PSDB [Brazilian Social Democracy Party] and PFL [Liberal Front Party] allies in composing his cabinet, Cardoso decided to resuscitate and rename the two ministries, which are favorite grounds for political patronage positions.

The Regional and Urban Development Undersecretariat, which was initially supposed to be subordinated to the Planning Secretariat, will now be directly subordinated to the Presidency of the Republic, and its head will have ministerial rank. It will be called the Regional Development Ministry, and its head will be Deputy Gustavo Krause (PFL-Pernambuco). This decision was made to please the PFL, which was annoyed at having lost the Education Ministry, which it wanted for Krause.

The composition of the cabinet became complicated when Senator-elect Jose Serra (PSDB-Sao Paulo) expressed his determination to get the Planning Ministry, which Cardoso had previously promised to his government platform coordinator, Paulo Renato de Souza. Cardoso even offered Serra the Industry and Commerce Ministry, hoping to deter him, but in the end he gave in. The Education Ministry, which Cardoso does not want for the PFL, will be for Paulo Renato de Souza. [passage omitted]

Cabinet for Cardoso's Administration Named

PY1612022094 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 15 Dec 94

[FBIS Translated Text] The following are the names already chosen to be future cabinet members:

Planning Ministry: Jose Serra, engineer and economist. He was elected senator for Sao Paulo State by 6.5 million votes.

Social Security: Reinhold Stephanes, economist. He is federal deputy for Parana State. He was social security minister during the Fernando Collor administration, and began reorganizing the social security system.

Environment and Water Resources: Gustavo Krause, lawyer. Federal deputy for Pernambuco State. He was finance minister at the beginning of the Itamar Franco administration. He lost the elections for Pernambuco governor.

Culture: Francisco Weffort, a Workers Party intellectual and political science professor. He was one of the advisers to former presidential candidate Luiz Inacio Lula da Silva.

Agriculture: Joao Elisio Ferraz de Campos. He was deputy Parana governor and became governor when Jose Richa resigned to run for a Senate seat. He is director of the Bamerindus Bank and president of the National Insurance Companies Federation.

Health: Adib Jatene, from Sao Paulo, a medical doctor and cardiologist. He was health minister during the Collor administration.

Transportation: Odacir Klein. Federal deputy for Rio Grande do Sul State. He has been PMDB [Brazilian Democratic Movement Party] leader in the Chamber of Deputies.

Education: Paulo Renato de Souza, economist. He has been a World Bank adviser and coordinator of Fernando Henrique Cardoso's presidential campaign.

Finance: Pedro Malan. He was foreign debt negotiator during the Collor administration, and is currently the Central Bank president.

Mines and Energy: Raimundo Britto. He occupied several posts in the Bahia State administration, always within the Mines and Energy Secretariat. He has been coordinator of the Camacari complex.

Civilian Household: Clovis Carvalho, economist. He is the current Finance Ministry executive secretary.

Justice: Nelson Jobim, lawyer, professor. Federal deputy for Rio Grande do Sul. He is respected for his great juridical knowledge.

Industry and Commerce: Two Minas Gerais personalities are the main candidates for this post. The first is Wilson Brumer, former director of the Vale do Rio Doce company, current member of the Usiminas company council board, and current president of Acesita, the Itabira Special Steel Company. The second Minas Gerais personality is Roberto Brandt, a lawyer and professor. He has been president of the Minas Caixa company, and is federal deputy for the PTB [Brazilian Labor Party], Minas Gerais.

Labor: There are also two main candidates for this ministry: Paulo Paiva, professor and current Minas Gerais planning secretary; and Roberto Brandt.

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Science and Technology: There are also two candidates for this ministry. The first is Octavio Elisio Alves de Brito, who was federal deputy during the Constituent Assembly. He lost the last elections for deputy. The other is Dorothea Werneck, a career public employee. She was labor minister during the Sarney administration.

Communications: Sergio Motta, businessman. He is a personal friend of Fernando Henrique Cardoso. He has been the general coordinator of Cardoso's presidential campaign.

Army: General Zenildo Lucena, current Army minister.

Aeronautics: Lieutenant Brigadier Mauro Jose Miranda Gandra, current Aeronautics chief of staff.

Armed Forces Chief of Staff: General Benedito Leonel, current Army chief of staff.

Regional Policy Secretary: Cicero Lucena, current Paraiba governor.

National Social Communications Secretariat: Roberto Muir Laerte, current president of TV Cultura of Sao Paulo.

Presidential spokesman: Ambassador Sergio Amaral, former Finance Ministry spokesman.

Strategic Affairs Secretariat: Ronaldo Sardenberg, current Brazilian ambassador to the United Nations.

Navy Ministry: undefined.

Foreign Ministry: The most probable candidate is Luiz Felipe Lampreia.

[Sao Paulo AGENCIA ESTADO in Portuguese at 2112 GMT on 15 December carries a 300-word report datelined Brasilia by Christiane Samarco and Cida Fontes that adds: "Admiral Julio Pedrosa will become Navy minister."]

Senate Ratifies Uruguay Round GATT Accords

PY1512153494 Sao Paulo AGENCIA ESTADO in Portuguese 1325 GMT 15 Dec 94

[FBIS Translated Text] Brasilia, 15 Dec (AE)—In a symbolic vote, the Senate ratified last night the GATT Uruguay Round accords after hearing the favorable opinion of Senator Alfredo Campos (PMDB-MG) [Brazilian Democratic Movement Party—Minas Gerais]. The vote concluded at 2230. Because the Chamber of Deputies had already approved the accords, the Brazilian Congress has thus paved the way for Brazil to take part in the World Trade Organization [WTO]. Approval of the GATT accords is a condition for joining the WTO.

Planning Minister Nomination Causes 'Crises'

PY1512215894 Sao Paulo AGENCIA ESTADO in Portuguese 1954 GMT 14 Dec 94

[FBIS Translated Excerpt] Brasilia, 14 Dec (AE)—The nomination of Jose Serra for planning minister has generated two crises: one in the transition team, and another within the PSDB [Brazilian Social Democracy Party]. The Ceara, Minas Gerais, and Rio Grande do Sul PSDB blocs consider Serra's presence in the cabinet, in a strategic post like the Planning Ministry, a divisive element. "From the political support point of view Serra's nomination does not add anything," a Ceara PSDB member said.

The confirmation of Jose Serra's appointment also annoyed the man initially considered for the Planning Ministry, economist Paulo Renato de Souza, coordinator of Fernando Henrique Cardoso's government platform. During a conversation with friends, De Souza confessed he felt hurt mainly by the manner in which Serra's nomination was made known, without informing him first. [passage omitted]

Besides this, the Sao Paulo and Ceara blocs have always disputed power within the PSDB and in influence over Cardoso. Without any man to offer to Cardoso, the Ceara PSDB members regard the presence of Serra in the cabinet as an unequivocal sign that the Sao Paulo PSDB members are gaining strength. The most important northeastern PSDB leader, Ceara Governor-elect Tasso Jereissati, who is in New York, is so far unaware of the internal party annoyance.

The politicians believe that with the nomination of Serra, who is a brilliant economist and zealous of power, Cardoso ended up creating discomfort among the government team he nominated and which is now administrating and will continue to execute the Real Plan. "He started a fight with the economic team and created a permanent source of friction with Malan's people," a Sao Paulo PSDB member said. Serra and the Real Plan economists have already disagreed in public over the Central Bank exchange policy, which harms exporters.

The nomination of the new Planning Minister has rekindled regional disputes. Minas Gerais Governor-elect Eduardo Azeredo (PSDB) today met with Cardoso to claim the greater presence of his state in the composition of the cabinet. He has observed that the Sao Paulo PSDB members outnumber the rest. Besides Serra, Sergio Motta will be communications minister, Adib Jatene will be health minister, and Francisco Weffort (Workers Party-Sao Paulo) will be culture minister. "A balance is important," said Azeredo. [passage omitted]

The presence of Serra in the future administration is considered a complicating element in the composition of the cabinet. Cardoso always meant to appoint former Deputy Euclides Scalco (PSDB-Parana)—one of his presidential campaign coordinators—social affairs secretary, one of his dearest government projects. Given that Serra dislikes Scalco, the latter is more distant from joining the cabinet now that Serra has been nominated planning minister.

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Chile

Frei Advocates Free Trade in Message to Diplomats

PY1512171794 Madrid EFE in Spanish 0110 GMT 15 Dec 94

[FBIS Translated Text] Santiago, 14 Dec (EFE)—Chilean President Eduardo Frei today advocated free trade as a means to promote wealth and well-being.

Frei made this statement during the traditional end-of-the-year greeting of the diplomatic corps accredited to Santiago, which was held at the La Moneda presidential palace.

Frei said that "we are taking part in integrationist groups that have a very promising future."

He explained that "this is the purpose of our joining the Asia Pacific Economic Cooperation, NAFTA, and Mercosur [Common Market of the South]—at the Latin American level—and our efforts to associate ourselves with the European Union."

Frei stressed that "democracy and development are closely interrelated but their benefits must reach everyone, particularly the destitute, to allow their full inclusion in society and their access to means of well-being."

Frei reminded listeners that his administration decided "to postulate for a Latin American seat in the (UN) Security Council in the belief that friends of Chile will value our constant concern with international problems and our pacifist tradition."

He reasserted that "our concern with the serious problem of social inequality in the society of the future has compelled us to promote the holding of an International Summit on Social Development, which will be held in Copenhagen in March."

Frei added: "This summit is decisive for our effort to create better conditions and equal opportunities for all people."

Frei asserted that "the extreme poverty that affects more than 1 million people worldwide is the greatest threat to our future. For the first time, the heads of state and government will be meeting to discuss this problem."

Aninat on Avoiding Concessions in NAFTA Talks

PY1512191494 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 15 Dec 94

[FBIS Translated Text] In referring to NAFTA, Finance Minister Eduardo Aninat explained that Chile will now begin negotiations in which concessions that might harm the country in the future cannot be made. He added that Chile must not wash its dirty linen in public.

[Begin Aninat recording] Let us make this a task of national unity rather than one of national disagreement. It is a good thing to study every opinion; it is a good thing to see where we may be mistaken or what disagreements may exist. We are referring to negotiations with great, sophisticated, powerful countries, the three of them. It is also a good thing for us, if we have any dirty linen, to wash it at home. [end recording]

Aninat explained that the other negotiating countries—the United States, Canada, and Mexico—might take advantage of any sign of uncertainty or domestic disorder.

NAFTA To Account for 50 Percent of Foreign Investment

PY1512171494 Madrid EFE in Spanish 1515 GMT 14 Dec 94

[FBIS Translated Text] Santiago, 14 Dec (EFE)—According to reports published today, 14 December, by October 1994, the United States, Canada, and Mexico, future partners of Chile in NAFTA, had concentrated 50.7 percent of overall foreign investment in Chile.

A report by the Foreign Investments Committee (CIE) states that NAFTA—a treaty Chile was officially invited to join this past weekend—investment in Chile by October 1994 totaled $6.0737 billion.

This figure makes NAFTA the main economic bloc to invest in Chile, with figures much higher than those representing investments by the European Union or the Common Market of the South (Mercosur).

Of the three NAFTA partners, the United States is the one with the largest investments, totaling $4.5411 billion, and it also heads the list of individual investors, while Canada is second with $1.5082 billion.

Moreover, Mexico accounts for very low investment figures with $24.2 million, concentrated mainly in communications and industry.

According to the CIE report, NAFTA investments will considerably increase next year because there are projects already approved totaling $4.5547 billion from those three countries. Among them, the U.S. copper project in the El Abra mines, involving the Cyprus Corporation, stands out with $3 billion.

U.S. and Canadian investments in Chile have been channeled into the mining, forest, and fishing sectors in particular, and, most recently, in the communications, financial, and service sectors.

Chile's entry into NAFTA is expected to increase foreign investments, not only by the three partners but by other markets as well. NAFTA countries are also important trade partners of Chile. During 1993, this group received Chilean exports worth $1.8471 billion, which placed the country in second place, after the European Union.

Between January and October 1994, the United States became the second largest market for Chilean products,

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after Japan, with imports totaling $1.5472 billion, representing a growth of 8.7 percent as compared to the same period in 1993.

Colombia

Samper Criticizes Lowering Price of Dollar

PA1612014994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] President Ernesto Samper has drawn attention to the decision by the Bank of the Republic Board of Directors to lower the price of the dollar by 50 pesos. Exporters have complained, and the president was on their side. He has soothed their low spirits with a new program to promote exports.

The president has donned the exporters' hat and has criticized the Bank of the Republic's decision to lower the price of the dollar from 890 pesos to 830 pesos from one day to the next:

[Begin Samper recording] My government has made a serious commitment to avoid an excessive revaluation, because it is aware an accelerated valuation of the peso, as has occurred in other nations, leads to a dangerous concentration of certain productive activities. The inconvenience and untimeliness of this measure as decided by the Bank of the Republic Board of Directors, whose autonomy we respect, of course, prompts a passing moment of disagreement I am certain we will overcome. [end recording]

He who sins and prays comes out even, said Samper, announcing to the exporters a $500-million plan consisting of cheap credits with a view to opening a trade office to defend their interests before the European Economic Community and the United States.

Financial Institution President on Lack of Cash

PA1612040294 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] Banks were left without cash by year's end; therefore, the lack of cash drove interest rates up. You had better be prepared to pay up to 50 percent interest if you need a loan. Banks and corporations have found themselves with empty pockets. They have opened their doors but need more than 300 billion pesos to cover the needs of their customers who need large amounts of money today to cancel payrolls and pay the Christmas bonus:

[Begin Javier Fernandez, president of the National Association of Financial Institutions, recording] Some of the credits that are being restricted, unfortunately, are those of the savings and housing corporations. They do not have any cash; they are quite short on funds. It is expected things will return to normal in January, but these are the credits that are being withheld, and I would say the loans to companies are in the same situation. [end recording]

The credits being obtained are worth gold. Interest rates are between 50-55 percent annually, and overdrafts have been suspended. This condition is the government's fault, because it is still collecting the people's money at high interest rates.

Guaviare Peasants, Government Reach Accord

PA1612014594 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 16 Dec 94

[Report by Jose Ivan Aguilar; from the "24 Hours" newscast]

[FBIS Translated Text] Following a 10-day strike, peasants on the evening of 15 December ended their protests over the spraying of glyphosate in San Jose del Guaviare, while the government said it would not spray plantations smaller than three hectares.

Former Minister Jorge Carrillo [title as heard], representing President Ernesto Samper, outlined the points of the agreement. The main point of contention during the meeting was the same issue that triggered disturbances in Miraflores and San Jose del Guaviare: the spraying of glyphosate, which will continue.

[Begin Carrillo recording] Small-scale coca growers have committed themselves to eradicating their coca crops and to availing themselves of the crop substitution plans. In the meantime, the government will stop spraying glyphosate on these small plots. [end recording].

The strike will definitely end with the signing of the agreement between the peasants who staged the strike and the government. At that time the Jorge Enrique Gonzalez Torres Airport in San Jose del Guaviare will be vacated.

FARC Front Detains Dam Workers, Kidnaps 2 Swedes

PA1612025494 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 15 Dec 94

[From the "National Newscast"]

[FBIS Translated Text] A total of 300 workers of the Urra Dam were detained for 20 hours by the 18th Front of the FARC [Revolutionary Armed Forces of Colombia]. They have now been released, but the guerrillas have kidnapped two Swedish officials, while the confrontations continue in the area. Here is a report on the situation.

These are troops of the Coyara Battalion pursuing the FARC guerrillas who have kidnapped two Swedish engineers employed by the company Skanska Swedish, constructor of the Urra Dam. Approximately 200 guerrillas

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put up a road block 10 minutes away from the dam at early dawn yesterday, taking over the buses that transported the workers. The workers were taken hostage when the Army showed up:

[Begin 11th Brigade Chief Julio Eduardo Charry recording] They sent three messengers, Skanksa workers, saying they would not release the hostages if the Army did not withdraw from the area. Nevertheless, given the troops' presence, they subsequently released all the hostages. [end recording]

After releasing all the workers, the guerrillas abducted one Colombian engineer, two drivers, and the two Swedish engineers. The first three were subsequently released. One soldier and two rebels were killed during the first armed confrontation while two soldiers and seven guerrillas were wounded.

Peru

Perez de Cuellar Views Summit, Free Trade, Cuba

PY1512233494 Madrid EFE in Spanish 1658 GMT 15 Dec 94

[FBIS Translated Text] Lima, 15 Dec (EFE)—Former UN Secretary General Javier Perez de Cuellar said that the Summit of the Americas had been positive, but he was skeptical about the possibility of fulfilling the agreements approved at the summit.

In a conversation with foreign correspondents, presidential candidate Perez de Cuellar said: "Along general lines, the results of the summit are positive and interesting for the hemisphere as a whole."

He said, however, that it remains to be seen "if the agreements can be implemented, because in the 10 years I headed the United Nations I saw similarly beautiful and well-prepared declarations that were never fulfilled."

Regarding commercial integration, Perez de Cuellar said that a free trade zone in the Southern Cone made up of the Andean Group and Mercosur [Common Market of the South] must first be created, and then negotiations must be carried out for its integration with NAFTA, which is made up of the United States, Canada, and Mexico.

The Andean Group is made up of Bolivia, Colombia, Ecuador, Peru, and Venezuela, and Mercosur, which consists of Argentina, Brazil, Paraguay, and Uruguay.

The Andean Group is going through a crisis that started in 1992, when it decided to exempt Peru from fulfilling the group's trade agreements due to the different tariff policies implemented by Peru and its Andean partners.

While Peru implements an almost uniform tariff for its imports within the framework of a free market economic policy, the other group members have five different tariff levels that are considered "protectionist."

Perez de Cuellar announced that if he is elected president, Peru "will return as a full member to the Andean Group" but he did not say how he expects to solve the problem of implementing a common external tariff.

Perez de Cuellar also rejected any foreign interference in solving the Cuban problem.

He said: "I have basic disagreements with the Cuban Government, but I believe we must leave to the Cuban people the solution of their problems."

He added: "Any foreign intervention would be self-defeating for solving the Cuban case, and would also go against the principles that regulate relations between nations."

Regarding drug trafficking, Perez de Cuellar proposed that the coca-producing countries create a common front to face this problem in a coordinated manner, and to negotiate as a bloc joint action with the consuming countries.

After pointing out that he is not convinced that the consumer countries are making a real effort to end the problem, Perez de Cuellar said that coca replacement is "one of the more effective formulas" for fighting drug trafficking.

Renegotiations With Creditor Banks To Begin Jan 1995

PY1612012294 Madrid EFE in Spanish 1510 GMT 15 Dec 94

[FBIS Translated Text] New York, 15 Dec (EFE)—It was announced here today that negotiations between Peru and its creditor banks will begin next month, after all the legal actions taken by the creditor banks in 1990 against the Peruvian Government were revoked.

The Peruvian Government and Citibank, which heads the creditor banks committee, reported in a communique that the legal actions taken by the banks to protect their rights after years of not getting paid by the Peruvian Government were revoked simultaneously in New York, London, Paris, Toronto, and Luxembourg.

The annulment of the legal actions opens the door to the beginning of negotiations for refinancing and reducing the Peruvian debt with the international banks, which totals about $7 billion. This is one more step toward the participation of the creditor banks in the Peruvian privatization program.

"The annulment of the legal actions is an important step in the Peruvian program for normalizing its relations with the international financial community," said Citibank Vice President William Rhodes.

Peruvian Economy and Finance Ministry Jorge Camet said that the lifting of the legal actions will help in having "all the debt with the commercial banks" used in the broad Peruvian privatization program.

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It is expected that Peruvian representatives will meet with the banks committee in January to begin negotiations on the foreign debt, but no precise dates were given.

Last October President Alberto Fujimori said in New York that contacts had been held with the banks, and that his government was seeking "more favorable conditions."

Fujimori did not want to say whether he would expect an agreement on the debt before his presidential term expires next July. Fujimori hopes to win his second presidential term in the April elections.

Minister Favors Temporary Withdrawal From Andean Pact

PY1512174194 Lima EXPRESO in Spanish 4 Dec 94 p A39

[FBIS Translated Excerpt] Lima (AFP)—On 3 December, Minister of the Presidency Maria Luisa Federicci expressed her agreement with Peru's temporary withdrawal from the Andean Pact, a possibility contemplated by some national officials following the recent approval in Quito of the Common External Tariff (AEC).

In remarks to the press at the Annual Conference of Business Executives (CADE-94), the minister said Peru must revise and maybe reorganize the conditions of its participation in the subregional organization.

She said: "We have participated a great deal in the Andean Pact, but now things must be reviewed and, above all, we must view the conditions and benefits for Peru."

Stating that everything related to foreign trade mut be organized, she added: "I think we must review and establish the conditions in which our country must participate, preventing them from being affected." [passage omitted]

Colombian Foreign Minister Arrives on 2-Day Visit

PY1512194494 Lima Radio Programas del Peru Network in Spanish 1800 GMT 15 Dec 94

[FBIS Translated Text] Colombian Foreign Minister Rodrigo Pardo arrived today in Lima for a two-day official visit to strengthen the traditional friendly links between the two countries. Minister Pardo's visit follows an invitation by Peruvian Foreign Minister Efrain Goldenberg. The visit will also serve to give a new impulse to bilateral cooperation and integration.

Shining Path Ambushes Military Convoy; Soldiers Killed

PY1512234294 Madrid EFE in Spanish 1621 GMT 15 Dec 94

[FBIS Translated Text] Lima, 15 Dec (EFE)—At least 26 people have been killed during the last 48 hours in Peru as a result of attacks by the Shining Path, SL, which would signal the restart of political violence.

Information received in Lima on 14 December from Tingo Maria, Huanuco Department, states that a convoy carrying soldiers and civilians to build a highway was ambushed by about 100 well-armed SL subversives.

A mine exploded under the convoy about 70 km from Tingo Maria in a place called "La Curva." The SL subversives then attacked the convoy. The soldiers engaged in a shootout that lasted three hours. Soldiers and civilians were killed in the shootout, in addition to those who died when the mine exploded. No information has been released on casualties among the subversives.

Radio reports state 14 soldiers and six civilians were killed, while other reports say only eight soldiers were killed and five others were wounded.

Military officials have said nothing and there is still no official information on the attack. This is causing great concern at a time when subversive activity has decreased considerably.

Press reports state that the SL subversives who attacked the convoy were commanded by an individual known only as "Artemio."

Peruvian President Alberto Fujimori called today's casualties from the SL attack "martyrs" and added that this does not mean an outbreak of terrorism. He reiterated that by the time he concludes his administration in July 1995, subversion will have been eliminated.

He added: "Some groups still cause destruction but this does not frighten us."

The Political-Military Command of Ayacucho—where the SL began its bloody activities in May 1990—has reported that six people have allegedly been killed by SL subversives.

The victims belong to the self-defense civilian militia groups known as "Peasant Defense Patrols" in two Vinchos communities, near Ayacucho.

Recent reports state that SL and the Tupac Amaru Revolutionary Movement, MRTA, forces are being reorganized and are trying to overcome the blows they received from the security forces, and from the capture and life imprisonment of their most important leaders—among them SL founder Abimael Guzman and MRTA leader Victor Polay Campos.

Government figures show that during the two and one-half years the government Repentance Law was in force, 5,516 SL and 814 MRTA subversives surrendered under that law. It expired on 1 November. Although the law seems to have mainly attracted SL members, few leaders are among those who repented. Many of those who repented have complained that the government does not help them.

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Following the jailing of Guzman and his top leadership, the remaining SL subversives are being run by Oscar Ramirez Durand, aka "Feliciano," who is trying to rebuild the SL at the national level.

The new SL organization is called the "New Network" [Nueva Red] which is like a previous SL organization called "People's Aid" which planned and executed selective attacks and murders.

SL agents have again infiltrated the poor neighborhoods, especially in Lima, and in factories.

LA REPUBLICA also reported that the MRTA is reorganizing its forces in the Peruvian central jungle region where there is believed to be a column of more than 100 well-armed men who are planning to obstruct the 9 April 1995 elections.

Fujimori: Minister Not 'Politically Responsible' for Killing

PY1512192594 Madrid EFE in Spanish 0349 GMT 13 Dec 94

[FBIS Translated Text] Lima, 13 Dec (EFE)—Peruvian President Alberto Fujimori said today that Interior Minister Juan Briones is not politically responsible for the incident in which a police officer killed an opposition party leader.

Mercedes Cabanillas, presidential candidate for the center-left American Popular Revolutionary Alliance (APRA), the party to which the murdered political leader belonged, today requested General Briones' resignation for being "politically responsible" for the death.

Fujimori said Briones is not responsible because: "He cannot be everywhere at once." He said the National Police Force, which is subordinate to the Interior Ministry, has over 100,000 members nationwide.

Fujimori said he regrets the death of APRA leader Ciro Fernandez, who was shot by the same police agents who also wounded three other APRA militants. He added that an exhaustive investigation on the incident that occurred in the northern department of Lambayeqye would be conducted and that those responsible would be punished.

Fujimori added that right now the main objective is to guarantee the safety of candidates throughout the presidential campaign until the elections scheduled for 9 April 1995.

Moreover, Congress today decided to debate a motion summoning the interior minister to Congress to explain the fatal incident.

Fujimori Confirms Hermoza as Joint Command Chief

PY1512192494 Madrid EFE in Spanish 0308 GMT 14 Dec 94

[FBIS Translated Text] Lima, 13 Dec (EFE)—Peruvian President Alberto Fujimori today confirmed General Nicolas de Bari Hermoza as chairman of the Armed Forces joint command.

During a working visit to the town of Mala, 90 km south of Lima, Fujimori said he has not "the slightest doubt" Hermoza will continue in his post. He said: "General Hermoza has done an extraordinary job in combating terrorism. A victorious general cannot be removed just before the final assault."

The opposition believes Hermoza's permanence in this post affects the Armed Forces institutionality and that it politicizes them. He has been described as Fujimori's trusted assistant. Hermoza has been chairman of the joint forces joint command for over three years despite having surpassed the age limit for active duty. The opposition believes Hermoza's permanence blocks the rotation of posts. It also believes it is a disrupting factor to the unity of military organizations because the traditional annual changes in the military command have been suspended.

Government Creates National Council for Magistrates

PY1512171094 Lima EXPRESO in Spanish 8 Dec 94 p A4

[FBIS Translated Excerpt] The government yesterday promulgated the law creating the National Council for Magistrates [Consejo Nacional de la Magistratura—CNM], an institution made up of seven members who will assume the role assigned to them by the new Constitution.

Among the powers bestowed upon this council are the selection, appointment, ratification, and dismissal of judges, prosecutors, and state attorneys from all levels of the judicial administration, except in cases where these judges are elected by the people.

The number of members can be extended to nine, should the plenum so decide. If so, representatives of the labor and business sectors must be included.

The CNM is an autonomous institution independent from the other constitutional organizations, and its decisions cannot be the object of revision concerning issues of its competence, because they are considered unappealable.

The CNM is made up of a representative of the Supreme Court elected by the plenum, a member elected by the board of the Supreme Court prosecutors, a third member elected by the country's bar associations, two elected by members of the other professional associations of the country, one elected by rectors of the national universities, and the seventh representing the private universities.

The CNM members are called "counselors;" they are to fulfill their duties for a period of five years, and there is no immediate reelection. [passage omitted]

Perez de Cuellar Defends 'Leftist' Advisers

PY1612011794 Madrid EFE in Spanish 1924 GMT 15 Dec 94

[FBIS Translated Text] Lima, 15 Dec (EFE)—Presidential candidate Javier Perez de Cuellar today

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defended his leftist advisers, saying that their presence in his eventual government should not alarm foreign investors.

Perez de Cuellar described as "conservatives" those who consider "contradictory" the presence of those advisers and his liberal economic proposal. He said he will not change the direction of the current economic policy in Peru.

He said: "I do not believe in leftist or rightist stereotypes, an attitude typical of conservatives now that the world has changed. This is why I will continue to get support from the people I believe are necessary."

Criticism about the leftists that surround Perez de Cuellar was made last September when he returned to Peru, and it resurged last week when he presented his aides during an important business meeting.

The aides include several critics of the current economic model. Those who advocate state run economies include economist Javier Iguinez, a former chief of the government plan committee of the United Left coalition.

The list also includes former leftist Senators Enrique Bernales and Gustavo Mohme.

They are members of Perez de Cuellar's team along with others who advocate a more radical liberal model—such as Javier Gonzalez Olaechea and Beatriz Merino who belong to the "Libertad" movement founded by writer Mario Vargas Llosa.

Perez de Cuellar said this variety of advisers should not create concern as he would be making the final government decisions if he is elected in the April 1995 elections.

He said he knows how "to maintain the necessary equilibrium" and how to find "the formulas for solving the country's problems."

He reiterated he would not go against the structural reforms implemented in 1990 by President Alberto Fujimori and that he would only "fill the vacuums" his advisers found in the reforms.

Perez de Cuellar once again labeled Fujimori as "authoritarian" and said his eventual government would establish a democratic country with social justice giving priority to jobs, food, health, and education.

He said foreign investment is necessary to create jobs because internal savings is insufficient. He said capital would come more easily if he is president because of his international contacts.

Regarding the foreign debt, Perez de Cuellar reiterated his position for renegotiating agreements with the IMF, but explained the renegotiations should only be held when the agreements expire in July 1995.

Perez de Cuellar repeated his accusations over an alleged covert campaign against his candidacy, reportedly by the National Intelligence Service. He said he will soon show the evidence.

Peruvian elections will be held on 15 April 1995 to elect a new president and 110 congressional representatives.

Perez de Cuellar is second in the polls, about 30 points behind Alberto Fujimori who is running for reelection.

The latest national poll gave Perez de Cuellar 18 percent of the votes compared with 48 percent for Fujimori.

Dollar Rate Drops Due to Oversupply, Drug Trafficking

PY1512215394 Lima EXPRESO in Spanish 6 Dec 94 p A22

[FBIS Translated Text] The dollar rate dropped yesterday to 2.14 new soles (buying rate) due to an oversupply of dollars and because the Central Reserve Bank (BCR) is restricting its purchases on the market, according to experts consulted by EXPRESO.

The analysts said that the U.S. dollar rate will continue to drop in the short term, at least as long as no control is carried out on the surplus dollars coming from drug trafficking.

The experts also explained that another reason for a large dollar supply is because companies are changing their dollar reserves for new soles.

This behavior is partly justified because most of the companies must fulfill certain obligations, such as paying the Christmas bonus. This situation is routine every December. The experts said: "The dollar drop is a seasonal thing."

The BCR cannot be expected to intervene in the market in the face of this situation. The BCR is currently making very small dollar purchases which are not over $100,000 per operation.

A source from the exporting sector said that the dollar rate should be fixed by supply and demand, and that the BCR should only intervene in very urgent or unavoidable situations.

It should be recalled that the dollar exchange rate was 2.18 new soles (buying) on 25 November, dropping to 2.14 new soles yesterday, which is the lowest rate so far this year.

Uruguay

Lacalle Spells Out Reasons for Americas Summit

PY1612001394 Montevideo EL PAIS in Spanish 12 Dec 94 p 9

[Article by EL PAIS correspondent Carlos Pauletti in Miami]

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[FBIS Translated Text] "Before talking about trade openings we must state that markets should not be harmed by subsidized products, as currently happens. Long before we talk about an opening we must say: Let us protect what we have. Developed countries should not compete and destroy our markets with subsidized products. This topic must be right up front. I believe it is worth mentioning that it is included in the final declaration."

These were the words of President Luis Alberto Lacalle during the meeting of 34 presidents and prime ministers who participated in the Summit of the Americas which concluded on 11 December.

The Uruguayan president added: "We clearly state: We have the will, the realism, and the Uruguayan Round of the GATT which must be implemented and which will be our guiding star. Even so, and even before all this, we must eliminate subsidies as confirmation that there is a true decision to confide in the real, free, and clean market. Concluding, Mr. President, we say no to aid because we have not come to ask for it. We say yes to trade and investment. In saying no to subsidies we, of course, say yes to competition. We have the capability and the people who are willing to compete."

Prior to this, the Uruguayan president said that Latin America has given "proof that we are in a position to open our economies, to modernize and organize them. The best proof of this is that U.S. investments in our region has increased fivefold during the past 5 years. In other words, it is not the U.S. Government that has acknowledged us, it is the investor who has been convinced because he knows he has judicial security. Trade has made a strong entry within our borders in the same manner."

Lacalle added: "Luckily, the United States—and when I say the United States I not only refer to the president but also to Congress—has this past year proved itself through two measures when the NAFTA and the Uruguayan Round of the GATT were approved. Proof was given that it is conscientiously entering a world that is opening, that it is not entering a world of parochial and domestic interests, no matter how legitimate they may seem. Many times it has determined changes in the foreign policy of this nation which were later seen to be incorrect."

"Allow us to reaffirm this," he stressed, "today we are meeting here, esteemed colleagues, for a sole purpose. Above and beyond the speeches and the historic calls—which are all very nice—this is not a charity meeting. We are meeting here because we have a mutual interest: The United States is interested in our markets, in investing in our region, and we want access to the U.S. market. This is the basis of this meeting."

Lacalle added: "Political aspects are very important, but we are speaking about concrete matters like money, prosperity, work, investments, freedom, and trade. We need work for those who are behind us, so that a worker can spend money on products the United States will sell us: This is the important equation of this meeting. Healthy and legitimate interest implies that no one gives anything away and no one will ask for a present: This is the mutual interest that we must implement in a coherent manner so it will bear fruit."

Lacalle Discusses Terrorism, Corruption at Americas Summit

PY1612003094 Montevideo EL PAIS in Spanish 12 Dec 94 p 9

[Report by Carlos Pauletti]

[FBIS Translated Text] Miami—"Terrorism is resurging everywhere, and we have grounded suspicions that it has effective international support. This is why it was important to include the item in the Declaration of Principles and the Plan of Action approved by the Miami summit," President Luis Alberto Lacalle said during a news conference in which he discussed the summit's results.

The paragraph in question states: "National and international terrorism constitutes a systematic and deliberate violation of individual rights and an attack on democracy. Recent attacks in some of our countries have proven that terrorism is a grave threat to security of the Americas.

"The measures implemented by governments to fight and eliminate this threat are essential to guaranteeing public law and order and maintaining trust in the government at the national as well as international level. In this context, those who sponsor, help to plan, or execute terrorist acts by abusing their diplomatic immunity and privileges, or by other means, will be considered responsible for them by the international community."

Some of the concrete measures adopted by the presidents on the matter are the promotion "of bilateral and subregional agreements to try and penalize those responsible for terrorist acts within the framework of human rights and civil liberties protection." A "special OAS conference on terrorism prevention" will be convened. The document reaffirmed "the importance of extradition treaties ratified by the states of the hemisphere, stressing that such treaties will be strictly observed as an expression of the governments' political will to fight the scourge in accordance with international law and national legislations."

Lacalle said that Uruguay placed special emphasis precisely on this point due to our recent experiences, and particularly with what happened on the occasion of the extradition to Spain of ETA [Basque Fatherland and Liberty] militants captured in Montevideo.

Other issues included in the summit documents at Uruguay's request are multilateral trade negotiations and a paragraph mentioning the importance of reducing the role of the state, and thus the possibilities of corruption.

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"One way to avoid it," Lacalle said, "is to avoid the state's participation in everything."

The president said that the documents stress the importance of the Common Market of Knowledge, which has already been institutionalized by the OAS, and the need to eliminate the sale of subsidized products by developed countries, which destabilize and destroy developing nations' markets.

Lacalle said he was pleased with the results of the Miami summit, particularly because of the inclusion of dates, deadlines, and concrete stages for creating the Free Trade Area of the Americas.

Lacalle and his official entourage departed for Montevideo last night. His arrival at Carrasco International Airport will occur shortly after midday today.

Venezuela

Finance Minister Cited on Takeover of Banking Institution

PA1512230394 Caracas Union Radio Network in Spanish 2200 GMT 14 Dec 94

[From the "Union Radio News" newscast]

[FBIS Translated Text] Regarding news about Banco Progreso and the Grupo Latinoamericana de Seguros, there was a flurry of speculation on what Mr. Orlando Castro would do after the decision was made. In a series of communiques that are being broadcast on his radio stations, Mr. Castro affirmed he is not going to Miami or to return to his native country, Cuba, but will cope with the whole situation.

It seems there may be a news conference tomorrow so he can disclose a series of details of the things that took place inside those financial organizations and the business group in general that prompted the country to make the already known decision to take over these banks. As was also reported through Fogade [Deposit Guarantee and Banking Protection Fund], the government will implement the same policy it has implemented for Banco de Venezuela and Banco Consolidado, meaning, keeping their doors open and allowing them to continue to operate.

This policy seems to have yielded better results than the action taken with Banco Latino, a policy which generated widespread panic and fostered greater fear, uncertainty, and tension about the whole situation. There is no justification for it, given the country's new laws and legal instruments. There is no justification to take things to this extreme. Let us learn more about this government action from Yomali Almenal.

[Almenal] Orlando Castro, president of Grupo Financiera Latinoamericana Progreso, has said his institution will abide by the decision by the Financial Emergency Board [JEF] to take control of the group. Castro added never in history has a business group been subjected to a campaign of public attacks as the one unleashed against Grupo Financiera Latinoamericana Progreso. Castro reiterated that no business group would have been able to withstand the onslaught unleashed against his company. He added that his company is prepared to help the Venezuelan state boost the finances of the Grupo Financiera Latinoamericana Progreso. Fogade President Norris Aguirre has informed the president about the takeover of the Grupo Financiera Latinoamericana Progreso.

[Reporter Cecilia Pachano] Finance Minister Julio Sosa Rodriguez was in charge of explaining to the State Council the process that led to the takeover of this financial institution. Sosa concurred with Aguirre that the government decided to protect the interests of savings account holders and depositors. For that reason, they will be placed temporarily in the hands of the state as long as those banks and their shareholders cannot work out their solvency problems. As Aguirre explained to the cabinet, despite the efforts made by the majority shareholders to replenish the institution by injecting more than 41 billion bolivares, it was not possible to resolve the problems of a lack of liquidity caused by the more than 50 billion bolivares withdrawn in the past three months.

Sosa has acknowledged the Banco Progreso shareholders in this case performed a commendable job in overcoming their losses and tried to meet their obligations, but the JEF measure was inevitable. The Fogade president and the finance minister have said that these financial institutions will continue to operate, given the measure taken leaves their doors open, that there will be no bank wars in Venezuela, and that the state will duly handle those cases concerning that lack of liquidity. Guillermo Alvarez Bajares, Central Information Office director and Council of Ministers spokesman, has reaffirmed this aspect to the media:

[Begin Alvarez recording] The public, depositors, and clients of this institution can be assured they can conduct their operations in a totally normal manner at all times. [end recording]

[Pachano] Despite this latest takeover of a financial institution, Finance Minister Sosa Rodriguez has insisted work is being done to overcome the difficult banking situation the current government has found. In his opinion, this situation is the product of a process of deterioration that grew during the past 10 years. Regarding the effects of this bank takeover, Economic Support Minister Raul Matos Azocar has said it is obvious it will be necessary to accelerate the sale of the assets Fogade has been accumulating.

Meanwhile, Attorney General Jesus Petit da Costa has chosen not to comment on the possible takeover of properties until learning more about this case.

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Correction to Finance Minister Denies Bonds Violate Pacts

PA1312180994

The following corrections pertain to the item headlined "Finance Minister Denies Bonds Violate International Pacts," published in the 12 December 1994 Latin America DAILY REPORT, page 67:

Column one, paragraph two, first sentence reads ...issuing the bonds. The banks argue that the issue "violates" clauses in the 1990 financial plan which stipulate that new debt cannot be incurred under more favorable terms. Legal experts warned... (rephrasing)

Column one, paragraph three, second sentence reads ... legal justification of any kind in Washington." (changing "every" to "any")

Column two, paragraph one, first sentence, reads ... constitute a tax, an instrument of the Treasury, that, when offered as collateral, reduces revenues and thus diminishes the guarantee that Brady bonds and the rest of the paper, including multilateral paper, negotiated under certain conditions, will be paid in full.

[new paragraph] "The backing created to service the Brady bonds and other paper issued on international markets is not formal or rigid. It is based on general guarantees issued by the Republic. The bonds do not respond to the market but instead to the establishment of ... (rephrasing)

Guyana

Jagan To Continue To Lobby for Debt Relief

FL1512125494 Bridgetown CANA in English 1732 GMT 14 Dec 94

[FBIS Transcribed Text] Miami, Dec 14, CANA - Guyana's President Cheddie Jagan said on Wednesday he would continue to lobby the United States for help in ensuring meaningful debt relief for Caribbean Community (CARICOM) member states.

Guyana is among the region's biggest debtor, with an estimated external debt of US2.2 billion dollars. CARICOM has a combined debt of US10.3 billion dollars.

During the Summit of the Americas, the Clinton adminstration indicated it would be submitting to Congress in January a package aimed at providing debt relief to countries of the hemisphere.

Jagan has long been campaigning for a rescheduling of Guyana and CARICOM's debt, stating that it would provide the region with needed capital to finance developmental projects and help alleviate the socio-economic problems.

"Of course we intend to continue to talk to the Clinton administration we hope to build up a lobby in the world...for the proposals which we are putting forward," Jagan told CANA, just before leaving here for an extended visit to the United States, where he is expected to hold talks with potential investors.

"As you know our proposal is for a strategy which is going to look at problems of poverty and hunger and unemployment...and we have been selling that package".

Jagan said that the proposal "goes beyond the programme of action that was agreed to" during the Summit, noting that the final document following the meeting of the 34 Hemispheric leaders made little mention of the debt situation.

Jagan, who was critical of the International Monetary Fund (IMF) for its harsh social consequencies of its structural adjustment programme, said his country wanted more "soft loans" in order to carry out its development programmes.

"Our payments are still very very high, in terms of debt payments and therefore very onerous, we cannot for instance right now give concessions to people who want to get leases for forest lands, we are told not to give them, and the reason why we are told not to give them is because we don't have the money..." he said.

Jagan said the situation was compounded by the fact that the country was not able to attract professionals, "to pay decent salaries or the other charges...".

"Even if we had personnel we need vehicles, we need other things..." he added. The Guyana president was confident that his visit to Miami would pay dividends for the country's future economic development, noting "people all over the world are concerned not just with poverty and hunger and all that, but people are concerned about security, crime and drug".

"So the proposition that we are putting for a global humanitarian order was well recieved...so that by the time the social summit is held in Cophenhagen, in March we are not only going to have another declaration, but we are going to have something tangible which everybody will be fighting and get it approved as a plan of action," Jagan said.

"I am not only looking at Guyana...and we can't be an isolated island say of prosperity when the whole place is suffering," he added.

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